

HORNBACH Holding AG & Co. KGaA
Group

1st QUARTER
2018/19

Quarterly Statement
as of May 31, 2018

HORNBACK HOLDING AG & CO. KGaA GROUP

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

| Key Figures of the HORNBACK HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated) | 1 st Quarter 2018/19 | 1 st Quarter 2017/18 | Change in % |
|--|------------------------------------|------------------------------------|----------------|
| Net sales | 1,227.3 | 1,195.5 | 2.7 |
| of which: in Germany | 675.5 | 676.4 | (0.1) |
| of which: in other European countries | 551.8 | 519.2 | 6.3 |
| Like-for-like sales growth (DIY) | 2.3% | 5.4% | |
| Gross margin as % of net sales | 36.5% | 37.2% | |
| EBITDA | 104.7 | 117.2 | (10.7) |
| EBIT | 79.3 | 92.7 | (14.5) |
| Adjusted EBIT | 78.9 | 92.6 | (14.8) |
| Consolidated earnings before taxes | 72.8 | 85.9 | (15.3) |
| Consolidated net income | 53.7 | 63.9 | (15.9) |
| Basic/diluted earnings per share (€) | 2.69 | 3.18 | (15.4) |
| Investments | 69.3 | 25.8 | >100 |

| Misc. key figures of the HORNBACK HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated) | May 31, 2018 | February 28, 2018 | Change in % |
|--|--------------|-------------------|----------------|
| Total assets | 2,823.7 | 2,667.7 | 5.8 |
| Shareholders' equity | 1,516.0 | 1,462.9 | 3.6 |
| Shareholders' equity as % of total assets | 53.7% | 54.8% | |
| Number of employees | 20,049 | 19,614 | 2.2 |

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

¹⁾ Including minority interests pursuant to IFRS

Summary

- HORNBACK Group on course to meet 2018/19 full-year targets despite frosty start to spring season
- Consolidated sales for first quarter of 2018/19 up 2.7% to € 1,227 million – like-for-like, currency-adjusted DIY sales 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 HORNBACK Holding AG & Co. KGaA Group (HORNBACK 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 2.7% to € 1,227.3 million (2017/18: € 1,195.5 million). Sales at the largest operating subgroup, HORNBACK Baumarkt AG (DIY retail) grew 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, DIY sales grew by 2.3% in the first three months. As in the previous year, sales at the HORNBACK Baustoff Union GmbH subgroup amounted to € 64.6 million. 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 14.8% to € 78.9 million (2017/18: € 92.6 million). Three-month earnings per Holding share amounted to € 2.69 (2017/18: € 3.18). 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

The HORNBACH Holding AG & Co. KGaA Group comprises the HORNBACH Baumarkt AG, HORNBACH Baustoff Union GmbH, and HORNBACH Immobilien AG subgroups.

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 Group

Consolidated sales for the first quarter of 2018/19 grew by 2.7% to € 1,227.3 million (2017/18: € 1,195.5 million).

HORNBACH Baumarkt AG subgroup

We opened two DIY megastores with garden centers in the first quarter of 2018. These are in Zwolle (Netherlands) and Affoltern (Switzerland). A small 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 subgroup operated 157 retail outlets (February 28, 2018: 156) with total sales areas of 1.84 million m², of which 97 in Germany and 60 in other European countries.

This subgroup's **net sales** for the first quarter of 2018/19 grew 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 [→ [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, subgroup-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 sales at the subgroup rises from 45.7% to 47.3%
- Like-for-like, currency-adjusted sales growth of 5.2% – including currency items up 3.8%

HORNBACH Baustoff Union GmbH subgroup

The HORNBACH Baustoff Union GmbH (HBU) subgroup, which focuses above all on the needs of professional customers in its target groups of the main and secondary construction trades, as well as private construction clients, generated sales of € 64.6 million in the first quarter of 2018/19 (2017/18: € 64.6 million). As of May 31, 2018, the subgroup operated 27 builders' merchant outlets in south-western Germany and at two locations close to the border in France (Lorraine).

Earnings position

The following comments refer to the earnings performance at the overall HORNBACH Holding AG & Co. KGaA Group.

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

- Gross profit grew less rapidly than sales in the first quarter of 2018/19, rising by 0.9% to € 448.5 million (2017/18: € 444.4 million). The gross margin decreased by 37.2% to 36.5%. 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 5.3%, 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 24.9% to 25.6%. Following two new DIY 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 1.4%, general and administration expenses rose less rapidly than sales. As in the previous year, the **administration expense ratio** [↪ [Brief Glossary](#) on Page 7] amounted to 4.6%. As a percentage of sales, aggregate store, pre-opening, and administration expenses rose by almost 70 base points.
- **EBITDA** [↪ [Brief Glossary](#) on Page 6] decreased by 10.7% to € 104.7 million in the first quarter of 2018/19 (2017/18: € 117.2 million).
- Consolidated operating earnings (**EBIT**) fell by 14.5% to € 79.3 million (2017/18: € 92.7 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 € 78.9 million (2017/18: € 92.6 million).
- Due in particular to lower interest expenses, **net financial expenses** improved from minus € 6.8 million to minus € 6.5 million.
- **Consolidated earnings before taxes** fell by 15.3% to € 72.8 million (2017/18: € 85.9 million).
- **Consolidated net income for the quarter** decreased by 15.9% to € 53.7 million (2017/18: € 63.9 million). **Earnings per Holding share** are reported at € 2.69 for the first quarter of 2018/19 (2017/18: € 3.18).

Earnings performance by segment

- At the **HORNBACH Baumarkt AG subgroup**, adjusted EBIT decreased by 16.3% to € 64.9 million in the first quarter of 2018/19 (2017/18: € 77.5 million). Further details about the earnings performance can be found in the quarterly statement separately published by the HORNBACH Baumarkt AG subgroup.
- At the **HORNBACH Baustoff Union GmbH subgroup**, adjusted EBIT decreased to € 0.9 million (2017/18: € 1.5 million).
- At the **HORNBACH Immobilien AG subgroup**, adjusted EBIT amounted to € 14.1 million in the period under report and thus more or less matched the previous year's figure (€ 14.3 million).

Financial and asset position

Investments in the first three months of the current 2018/19 financial year rose sharply to € 69.3 million (2017/18: € 25.8 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 € 53.0 million, around three quarters of investments were channeled into land and buildings (2017/18: € 9.4 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 € 135.0 million from operations (2017/18: € 125.2 million). Information about the financing and investing activities of the HORNBACH Group can be found in the cash flow statement on Page 11.

Total assets grew to € 2,824 million as of May 31, 2018, up 5.8% compared with the balance sheet date on February 28, 2018. Key factors driving this growth included the increases in cash and cash equivalents (plus € 61 million), inventories (plus € 37 million), and investment property (plus € 35 million). Shareholders' equity as posted in the balance sheet rose to € 1,516 million, up 3.6% compared with the previous reporting date. At 53.7%, the **equity ratio** [↪ [Brief Glossary](#) on Page 7] remained high (February 28, 2018: 54.8%). **Net financial debt** [↪ [Brief Glossary](#) on Page 7] decreased to € 393 million, down from € 460 million as of February 28, 2018.

Other Disclosures

Employees

A total of 20,049 employees across Europe were in fixed employment at HORNBACH Holding AG & Co. KGaA Group as of the reporting date on May 31, 2018 (February 28, 2018: 19,614).

Contingent liabilities and other financial obligations

These mainly involve obligations for rental, hiring, leasehold and leasing contracts for which the companies of the HORNBACH Holding AG & Co. KGaA Group do not constitute the economic owners of the assets thereby leased pursuant to IFRS regulations (operating lease). These amounted to € 567.9 million at the end of the first quarter as of May 31, 2018 (February 28, 2018: € 577.6 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 Holding AG & Co. KGaA Group.

The Board of Management can confirm the sales and earnings forecast for the 2018/19 financial year published on Pages 96 to 100 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 shortfall 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 (€ 165.6 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.

| | | |
|--|--|---|
| Like-for-like sales net of currency items (change in %) | <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> | 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. |
| EBITDA | <i>Alternative key performance figure to comment on earnings performance</i> | 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). |
| Adjusted EBIT | <i>Major key performance figure to comment on operating earnings performance</i> | 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. |

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 st Quarter 2018/19 | 1 st Quarter 2017/18 | Change in % |
|--|------------------------------------|------------------------------------|----------------|
| Sales | 1,227.3 | 1,195.5 | 2.7 |
| Cost of goods sold | 778.7 | 751.1 | 3.7 |
| Gross profit | 448.5 | 444.4 | 0.9 |
| Selling and store expenses | 314.0 | 298.2 | 5.3 |
| Pre-opening expenses | 2.3 | 1.1 | >100 |
| General and administration expenses | 55.9 | 55.1 | 1.4 |
| Other income and expenses | 2.9 | 2.7 | 6.5 |
| Earnings before interest and taxes (EBIT) | 79.3 | 92.7 | (14.5) |
| Interest and similar income | 0.1 | 0.2 | (29.3) |
| Interest and similar expenses | 6.2 | 6.4 | (4.3) |
| Other financial result | (0.5) | (0.6) | (15.8) |
| Net financial expenses | (6.5) | (6.8) | (4.5) |
| Consolidated earnings before taxes | 72.8 | 85.9 | (15.3) |
| Taxes on income | 19.1 | 22.0 | (13.5) |
| Consolidated net income | 53.7 | 63.9 | (15.9) |
| of which: income attributable to shareholders | 43.0 | 50.8 | (15.3) |
| of which: non-controlling interest | 10.7 | 13.0 | (17.9) |
| Basic/diluted earnings per share (€) | 2.69 | 3.18 | (15.4) |

Balance Sheet

| Assets | May 31, 2018 | | February 28, 2018 | |
|--|----------------|--------------|-------------------|--------------|
| | € million | % | € million | % |
| Non-current assets | | | | |
| Intangible assets | 18.7 | 0.7 | 19.2 | 0.7 |
| Property, plant, and equipment | 1,633.5 | 57.8 | 1,628.8 | 61.1 |
| Investment property | 73.1 | 2.6 | 38.5 | 1.4 |
| Other non-current receivables and assets | 7.6 | 0.3 | 7.2 | 0.3 |
| Deferred tax assets | 10.9 | 0.4 | 10.8 | 0.4 |
| | 1,743.8 | 61.8 | 1,704.5 | 63.9 |
| Current assets | | | | |
| Inventories | 736.0 | 26.1 | 698.7 | 26.2 |
| Trade receivables | 42.1 | 1.5 | 32.1 | 1.2 |
| Other current assets ¹⁾ | 70.1 | 2.5 | 61.6 | 2.3 |
| Income tax receivables | 6.3 | 0.2 | 6.8 | 0.3 |
| Cash and cash equivalents | 224.7 | 8.0 | 164.1 | 6.1 |
| Non-current assets held for sale and disposal groups | 0.8 | 0.0 | 0.0 | 0.0 |
| | 1,079.9 | 38.2 | 963.2 | 36.1 |
| | 2,823.7 | 100.0 | 2,667.7 | 100.0 |

¹⁾ Includes contract assets.

| Equity and liabilities | May 31, 2018 | | February 28, 2018 | |
|---|----------------|--------------|-------------------|--------------|
| | € million | % | € million | % |
| Shareholders' equity | | | | |
| Share capital | 48.0 | 1.7 | 48.0 | 1.8 |
| Capital reserve | 130.4 | 4.6 | 130.4 | 4.9 |
| Revenue reserves | 1,080.2 | 38.3 | 1,037.8 | 38.9 |
| Equity of shareholders of HORNBACK HOLDING AG & Co. KGaA | 1,258.5 | 44.6 | 1,216.2 | 45.6 |
| Non-controlling interest | 257.4 | 9.1 | 246.8 | 9.2 |
| | 1,516.0 | 53.7 | 1,462.9 | 54.8 |
| Non-current liabilities | | | | |
| Non-current financial debt | 579.4 | 20.5 | 587.3 | 22.0 |
| Provisions for pensions | 11.0 | 0.4 | 10.9 | 0.4 |
| Deferred tax liabilities | 50.7 | 1.8 | 50.1 | 1.9 |
| Other non-current liabilities | 45.4 | 1.6 | 44.8 | 1.7 |
| | 686.4 | 24.3 | 693.0 | 26.0 |
| Current liabilities | | | | |
| Current financial debt | 38.6 | 1.4 | 36.8 | 1.4 |
| Trade payables | 301.9 | 10.7 | 267.4 | 10.0 |
| Other current liabilities ²⁾ | 142.8 | 5.1 | 93.9 | 3.5 |
| Income tax liabilities | 24.8 | 0.9 | 21.1 | 0.8 |
| Other provisions and accrued liabilities | 113.2 | 4.0 | 92.6 | 3.5 |
| | 621.3 | 22.0 | 511.7 | 19.2 |
| | 2,823.7 | 100.0 | 2,667.7 | 100.0 |

²⁾ Includes contract and reimbursement liabilities.

Statement of Changes in Equity

| 1st Quarter 2017/18 € million | Share capital | Capital reserve | Hedging reserve | Cumulative currency translation | Other revenue reserves | Equity attributable to share- holders | Non- controlling interest | Total group equity |
|--|---------------|--------------------|--------------------|---------------------------------------|------------------------------|--|---------------------------------|--------------------------|
| Balance at March 1, 2017 | 48.0 | 130.4 | (1.5) | 22.4 | 960.5 | 1,159.8 | 237.9 | 1,397.7 |
| Consolidated net income | | | | | 50.8 | 50.8 | 13.0 | 63.9 |
| Actuarial gains and losses on defined benefit plans, net after taxes | | | | | 0.8 | 0.8 | 0.3 | 1.1 |
| Measurement of derivative financial instruments (cash flow hedge), net after taxes | | | 0.0 | | | 0.0 | 0.0 | 0.0 |
| Foreign currency translation | | | | (1.3) | | (1.3) | (0.2) | (1.5) |
| Total comprehensive income | 0.0 | 0.0 | 0.0 | (1.3) | 51.7 | 50.4 | 13.1 | 63.5 |
| Balance at May 31, 2017 | 48.0 | 130.4 | (1.4) | 21.1 | 1,012.2 | 1,210.2 | 251.0 | 1,461.2 |

| 1st Quarter 2018/19 € million | Share capital | Capital reserve | Hedging reserve | Cumulative currency translation | Other revenue reserves | Equity attributable to share- holders | Non- controlling interest | Total group equity |
|--|---------------|--------------------|--------------------|---------------------------------------|------------------------------|--|---------------------------------|--------------------------|
| Balance at March 1, 2018 | 48.0 | 130.4 | (1.1) | 18.5 | 1,020.4 | 1,216.2 | 246.8 | 1,462.9 |
| Adjustments due to IFRS 15 | | | | | 1.3 | 1.3 | 0.4 | 1.8 |
| Balance at March 1, 2018 (adjusted) | 48.0 | 130.4 | (1.1) | 18.5 | 1,021.7 | 1,217.5 | 247.2 | 1,464.7 |
| Consolidated net income | | | | | 43.0 | 43.0 | 10.7 | 53.7 |
| Measurement of derivative financial instruments (cash flow hedge), net after taxes | | | 0.0 | | | 0.0 | 0.0 | 0.0 |
| Foreign currency translation | | | | (2.1) | | (2.1) | (0.4) | (2.5) |
| Total comprehensive income | 0.0 | 0.0 | 0.0 | (2.1) | 43.0 | 41.0 | 10.3 | 51.3 |
| Balance at May 31, 2018 | 48.0 | 130.4 | (1.0) | 16.4 | 1,064.8 | 1,258.5 | 257.4 | 1,516.0 |

Cash Flow Statement

| € million | 1 st Quarter 2018/19 | 1 st Quarter 2017/18 |
|---|------------------------------------|------------------------------------|
| Consolidated net income | 53.7 | 63.9 |
| Depreciation and amortization of non-current assets | 25.8 | 24.6 |
| Change in provisions | (1.4) | 0.8 |
| Gains/losses on disposals of non-current assets and of non-current assets held for sale | (0.2) | (0.4) |
| Change in inventories, trade receivables, and other assets | (56.9) | (61.5) |
| Change in trade payables and other liabilities | 114.3 | 95.7 |
| Other non-cash income/expenses | (0.3) | 2.1 |
| Cash flow from operating activities | 135.0 | 125.2 |
| Proceeds from disposal of non-current assets and of non-current assets held for sale | 0.5 | 3.8 |
| Payments for investments in property, plant, and equipment | (68.6) | (24.3) |
| 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 |
| Payments for acquisitions of shareholdings and other business units | 0.0 | 0.0 |
| Cash flow from investing activities | (68.8) | (12.0) |
| Repayment of long-term debt | (5.1) | (7.8) |
| Change in current financial debt | (0.3) | (29.1) |
| Cash flow from financing activities | (5.4) | (36.9) |
| Cash-effective change in cash and cash equivalents | 60.8 | 76.2 |
| Change in cash and cash equivalents due to changes in exchange rates | (0.1) | (0.4) |
| Cash and cash equivalents at March 1 | 164.1 | 190.1 |
| Cash and cash equivalents at May 31 | 224.7 | 265.9 |

Segment Report

| 1st Quarter 2018/19 in € million 1st Quarter 2017/18 in € million | HORNBACH Baumarkt AG subgroup | HORNBACH Baustoff Union GmbH subgroup | HORNBACH Immobilien AG subgroup | Headquarters and consolidation | HORNBACH HOLDING AG & Co. KGaA Group |
|--|-------------------------------------|--|---------------------------------------|--------------------------------------|--|
| Segment sales | 1,162.1 | 64.6 | 20.0 | (19.4) | 1,227.3 |
| | 1,130.3 | 64.6 | 19.7 | (19.2) | 1,195.5 |
| Sales to third parties | 1,161.8 | 64.6 | 0.0 | 0.0 | 1,226.4 |
| | 1,130.0 | 64.6 | 0.0 | 0.0 | 1,194.5 |
| Sales to affiliated companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | 0.0 | 0.1 | 0.0 | (0.1) | 0.0 |
| Rental income from third parties | 0.3 | 0.0 | 0.6 | 0.0 | 0.9 |
| | 0.4 | 0.0 | 0.6 | 0.0 | 1.0 |
| Rental income from affiliated companies | 0.0 | 0.0 | 19.4 | (19.4) | 0.0 |
| | 0.0 | 0.0 | 19.1 | (19.1) | 0.0 |
| Segment earnings (EBIT) | 65.2 | 0.9 | 14.1 | (1.0) | 79.3 |
| | 77.6 | 1.5 | 14.3 | (0.7) | 92.7 |
| Depreciation and amortization/write-ups | 20.3 | 1.7 | 3.4 | 0.0 | 25.4 |
| | 19.6 | 1.5 | 3.4 | 0.0 | 24.5 |
| EBITDA | 85.5 | 2.6 | 17.5 | (1.0) | 104.7 |
| | 97.1 | 3.0 | 17.8 | (0.7) | 117.2 |
| Segment assets | 2,144.1 | 176.9 | 449.0 | 36.6 | 2,806.5 |
| | 2,078.3 | 163.7 | 463.3 | 36.0 | 2,741.2 |

| Reconciliation in € million | 1st Quarter 2018/19 | 1 st Quarter 2017/18 |
|--|---|------------------------------------|
| Segment earnings (EBIT) before "Headquarters and consolidation" | 80.2 | 93.4 |
| Headquarters | (0.9) | (0.8) |
| Consolidation adjustments | 0.0 | 0.1 |
| Net financial expenses | (6.5) | (6.8) |
| Consolidated earnings before taxes | 72.8 | 85.9 |

FINANCIAL CALENDAR 2018

| | |
|--------------------|--|
| June 22, 2018 | Quarterly Statement: 1 st Quarter of 2018/19 as of May 31, 2018 |
| July 6, 2018 | Annual General Meeting Festhalle Landau, Landau/Pfalz |
| September 27, 2018 | Half-Year Financial Report 2018/19 as of August 31, 2018 DVFA Analysts Conference |
| December 20, 2018 | Quarterly Statement: 3 rd Quarter of 2018/19 as of November 30, 2018 |

Investor Relations

Axel Müller

Tel: (+49) 0 63 48 / 60 - 24 44

Fax: (+49) 0 63 48 / 60 - 42 99

invest@hornbach.com

Internet: www.hornbach-group.com

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 weather conditions, 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.