

HORNBACH Holding AG & Co. KGaA
Group

Q3/9M
2018/19

Quarterly Statement
as of November 30, 2018

HORNBACH 
Holding

HORNBACH HOLDING AG & CO. KGaA GROUP

Statement on 3rd Quarter and 1st Nine Months of 2018/19 (March 1 – November 30, 2018)

Key Figures HORNBACH HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated)	3 rd Quarter 2018/19	3 rd Quarter 2017/18	Change in %	Nine Months 2018/19	Nine Months 2017/18	Change in %
Net sales	1,084.9	1,007.3	7.7	3,475.5	3,317.6	4.8
of which in Germany	589.8	560.3	5.3	1,899.7	1,858.9	2.2
of which in other European countries	495.1	447.0	10.8	1,575.7	1,458.7	8.0
Like-for-like sales growth (DIY)	6.2%	2.7%		3.8%	3.6%	
Gross margin as % of net sales	35.0%	35.6%		35.8%	36.4%	
EBITDA	48.2	54.4	(11.3)	261.1	279.6	(6.6)
EBIT	20.9	29.2	(28.5)	181.7	205.0	(11.4)
Adjusted EBIT	19.7	28.8	(31.5)	180.6	203.1	(11.1)
Consolidated earnings before taxes	16.1	21.1	(23.9)	165.8	182.7	(9.3)
Consolidated net income	11.8	15.8	(25.2)	122.1	135.5	(9.9)
Basic/diluted earnings per share (€)	0.72	0.92	(21.7)	6.26	6.94	(9.8)
Investments	21.7	41.5	(47.7)	158.3	98.3	61.1

Misc. key figures of the HORNBACH HOLDING AG & Co. KGaA Group (in € million, unless otherwise stated)	November 30, 2018	February 28, 2018	Change in %
Total assets	2,839.7	2,667.7	6.4
Shareholders' equity	1,556.9	1,462.9	6.4
Shareholders' equity as % of total assets	54.8%	54.8%	
Number of employees	20,554	19,614	4.8

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

Summary

Program of contrasts in fall of 2018: Sales grow faster than at any time in past four-and-a-half years but earnings are held back by higher costs

- Further acceleration in sales in fall of 2018: Q3 consolidated sales up 7.7%, nine-month sales up 4.8%
 - DIY stores with garden centers post like-for-like, currency-adjusted sales growth of plus 6.2% in Q3 and plus 3.8% in nine-month period – DIY retail business outside Germany continues to generate above-average growth
 - Builders' merchant business increases sales by 11.0% in Q3 2018/19 and by 5.5% in first nine months
- Adjusted operating earnings (adjusted EBIT) below previous year in Q3 and down 11.1% to € 180.6 million in nine-month period
- Full-year earnings forecast for 2018/19 adjusted – sales forecast confirmed

The HORNBACH Group's business performance showed divergent developments in the third quarter of 2018/19 (September 1 to November 30, 2018). On the one hand, the Group increased its sales by 7.7% in the fall quarter (Q3), its strongest sales growth for four-and-a-half years. On the other hand, it was not possible to translate this increasingly dynamic sales performance into earnings growth. Operating earnings adjusted to exclude non-operating earnings items (adjusted EBIT) fell from € 28.8 million in the previous year's quarter to € 19.7 million. This was mainly due to gross profit rising less rapidly than sales. The growth in gross profit was insufficient to offset the increase in store and administration expenses in the third quarter.

In the first nine months of 2018/19, we improved group-wide net sales by 4.8% to € 3,475.5 million. Adjusted EBIT for the nine-month period fell by 11.1% to € 180.6 million (2017/18: € 203.1 million). To account for the unsatisfactory third-quarter earnings performance, the full-year earnings forecast has been amended. Adjusted operating earnings (adjusted EBIT) are now expected to fall more than 10% short of the previous year's figure (€ 165.6 million). By contrast, the Board of Management has not made any amendments to the 2018/19 sales forecast.

Earnings, Financial, and Asset Position

Seasonal and calendar-related factors

Unlike in the first and second quarters of the current financial year, weather conditions in the third quarter of the 2018/19 financial year were favorable for the DIY retail business in Germany and the eight countries in the Other European countries region. Large parts of Europe witnessed unusually low volumes of precipitation accompanied by moderate temperatures.

The third quarter of 2018/19 had a group-wide average of 0.5 business days more than the equivalent period in the previous year. The first nine months of 2018/19 had an average of 0.3 more business days than the previous year's period.

Sales performance of the HORNBACH Group

The HORNBACH Group's sales grew by 7.7% to € 1,084.9 million (2017/18: € 1,007.3 million) in the third quarter of the 2018/19 financial year (September 1 to November 30, 2018), and by 4.8% to € 3,475.5 million in the first nine months (2017/18: € 3,317.6 million).

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

HORNBACH Baumarkt AG subgroup

In the first nine months, we expanded our store network with three new DIY megastores and garden centers. In the first quarter of 2018, we opened new stores in Zwolle (Netherlands) and Affoltern (Switzerland). These were followed by the opening of a store in Borås (Sweden) in the third quarter. One location in Alzey (Rhineland-Palatinate) was closed in the first quarter. As of November 30, 2018, the HORNBACH Baumarkt AG subgroup therefore operated 158 retail outlets (February 28, 2018: 156) with total sales areas of 1.85 million m², of which 97 stores in Germany and 61 in other European countries. The online store in Luxembourg was extended to include a direct mailing option in October 2018. This means that the delivery of products directly to customers' homes or buildings sites is now possible in all HORNBACH regions.

The pace of sales growth accelerated from quarter to quarter as the 2018/19 financial year progressed (see table below). The subgroup's sales for the third quarter of 2018/19 grew by 7.5% to € 1,006.4 million (2017/18: € 936.5 million). On a like-for-like basis and net of currency items [→ [Glossary](#) on Page 8], consolidated sales rose by 6.2% in the third quarter (including currency items: plus 6.0%). In the nine-month period, we improved our consolidated sales by 4.7% to € 3,256.1 million (2017/18: € 3,109.6 million). On a like-for-like basis, subgroup-wide net sales grew by 3.8% excluding and by 3.3% including currency items. The Other European countries region continued to generate significantly higher growth than the Germany region. By the end of the first three quarters, the international share of the subgroup's sales came to 48.2% (2017/18: 46.7%).

Sales performance by quarter ¹⁾

Key figures of the HORNBACH Baumarkt AG subgroup (in € million, unless otherwise stated)	1 st Quarter 2018/19	2 nd Quarter 2018/19	3 rd Quarter 2018/19	Nine Months 2018/19
Net sales	1,162.1	1,087.6	1,006.4	3,256.1
Year-on-year change (in %)	2.8	4.3	7.5	4.7
Like-for-like sales growth (in %) ¹⁾	2.3	3.4	6.2	3.8
Net sales in Germany region	612.7	561.2	513.8	1,687.7
Year-on-year change (in %)	(0.1)	1.5	4.4	1.8
Like-for-like sales growth (in %)	(0.2)	1.2	4.4	1.6
Domestic share of consolidated sales (in %)	52.7	51.6	51.1	51.8
Net sales in Other European countries region	549.4	526.4	492.6	1,568.3
Year-on-year change (in %)	6.3	7.4	10.9	8.1
Like-for-like sales growth (in %) ¹⁾	5.2	5.8	8.2	6.3
International share of consolidated sales (in %)	47.3	48.4	48.9	48.2

¹⁾ Excluding currency items

HORNBACH Baustoff Union GmbH subgroup

The HORNBACH Baustoff Union GmbH (HBU) subgroup, which focuses on the needs of professional customers in its key target groups in the main construction and subconstruction trades, as well as on private construction clients, operated a total of 28 builders' merchants outlets in south-western Germany and at two locations close to the border in France (Lorraine) as of November 30, 2018 (2017/18: 27). One new outlet was opened in Buchen (Odenwald) in the third quarter.

In the third quarter of 2018/19, the HBU subgroup's sales grew by 11.0% to € 77.9 million (2017/18: € 70.2 million). On a cumulative basis for the first nine months, the HORNBACH Baustoff Union GmbH subgroup increased its net sales by 5.5% to € 217.7 million (2017/18: € 206.3 million).

Earnings performance

Key figures of the HORNBAACH Holding AG & Co. KGaA Group (in € million, unless otherwise stated)	3 rd Quarter 2018/19	3 rd Quarter 2017/18	Change in %	9 Months 2018/19	9 Months 2017/18	Change in %
Net sales	1,084.9	1,007.3	7.7	3,475.5	3,317.6	4.8
Gross profit	379.2	358.8	5.7	1,244.9	1,206.9	3.2
Gross margin as % of net sales ¹⁾	35.0%	35.6%	(60 bp)	35.8%	36.4%	(60 bp)
EBITDA [\rightarrow Glossary on Page 8]	48.2	54.4	(11.3)	261.1	279.6	(6.6)
Operating earnings (EBIT)	20.9	29.2	(28.5)	181.7	205.0	(11.4)
Non-operating income	1.2	0.4		2.4	1.9	
Non-operating expenses	0.0	-		1.4	0.0	
Adjusted EBIT [\rightarrow Glossary on Page 8]	19.7	28.8	(31.5)	180.6	203.1	(11.1)
Consolidated net income	11.8	15.8	(25.2)	122.1	135.5	(9.9)
Store expenses as % of net sales ¹⁾	27.8	27.8	-	25.8	25.6	20 bp
Pre-opening expenses as % of net sales ¹⁾	0.1	0.1	-	0.2	0.1	10 bp
Administration expenses as % of net sales ¹⁾	5.4	5.1	30 bp	4.8	4.8	-

¹⁾ Year-on-year change in base points (bp)

The following information refers to the earnings performance of the overall HORNBAACH Holding AG & Co. KGaA Group.

3rd quarter of 2018/19

The HORNBAACH Group's earnings fell significantly short of the previous year's level in the third quarter of 2018/19.

- Gross profit grew less rapidly than sales, rising by 5.7% to € 379.2 million (2017/18: € 358.8 million). As a result, the gross margin decreased from 35.6% to 35.0%. The reduction in the **gross margin** [\rightarrow Glossary on Page 9] was chiefly due to higher procurement prices. Most of the price movements related to the Construction Materials/Timber/Prefabricated Construction Components product division and resulted from higher raw materials prices or production capacity shortages. Due to competitive factors, these less favorable procurement terms could only be partly offset by raising retail prices. Not only that, the margin was also negatively affected by higher freight costs in B2C logistics, as well as by base effects and one-off items resulting from higher write-downs on delisted articles.
- **Selling and store expenses** rose by 7.6%, and thus more or less in line with sales, in the period under report. The store expense ratio [\rightarrow Glossary on Page 9] remained unchanged at 27.8%.
- The **pre-opening expense ratio** [\rightarrow Glossary on Page 9] remained unchanged at 0.1%.
- **General and administration expenses** rose by 14.7%, and thus significantly faster than sales. This was due in particular to the HORNBAACH Baumarkt AG subgroup continuing to invest disproportionate amounts in expanding its e-commerce activities within its interconnected retail strategy. The administration expense ratio [\rightarrow Glossary on Page 9] amounted to 5.4% (2017/18: 5.1%).
- The growth in gross profit was insufficient to offset the increase in store and head office expenses in the third quarter of 2018/19. The adverse margin-related effects referred to above impacted above all on profitability in November 2018.
- Earnings before interest, taxes, depreciation and amortization (**EBITDA**) [\rightarrow Glossary on Page 8] decreased by 11.3% to € 48.2 million in the third quarter of 2018/19 (2017/18: € 54.4 million). **Consolidated operating earnings (EBIT)** fell by 28.5% to € 20.9 million (2017/18: € 29.2 million). Non-operating income amounted to € 1.2 million in the quarter under report, leading to **adjusted EBIT** of € 19.7 million (2017/18: € 28.8 million).
- Net financial expenses improved from minus € 8.1 million to minus € 4.8 million, a development mainly due to positive currency items.

- Consolidated earnings before taxes decreased year-on-year by 23.9% to € 16.1 million (2017/18: € 21.1 million). Based on a tax rate of 26.5% (2017/18: 25.1%), consolidated net income amounted to € 11.8 million (2017/18: € 15.8 million). Earnings per share came to € 0.72 in the third quarter (2017/18: € 0.92).

1st nine months of 2018/19

The unsatisfactory earnings performance in the third quarter meant that, unlike still expected at the end of the first half, the Group could not make up for the shortfall in earnings. Due in particular to less favorable cost ratios, as well as to a lower gross margin, the HORNBACH Group was unable to match the previous year's level of earnings. **Operating earnings (EBIT)** for the period from March to November 2018 fell by 11.4% to € 181.7 million (2017/18: € 205.0 million). Cumulative **adjusted EBIT** fell by 11.1% to € 180.6 million (2017/18: € 203.1 million).

Net financial expenses improved from minus € 22.3 million to minus € 15.9 million. This was chiefly due to positive currency items of € 0.9 million, which contrasted with negative currency items of € 4.1 million in the equivalent period in the previous year. Consolidated earnings before taxes fell by 9.3% to € 165.8 million (2017/18: € 182.7 million). Based on a tax rate of 26.4% (2017/18: 25.8%), consolidated net income amounted to € 122.1 million (2017/18: € 135.5 million). Cumulative earnings per Holding share came to € 6.26 (2017/18: € 6.94).

Earnings performance by segment in 1st nine months of 2018/19

Operating earnings (EBIT) at the **HORNBACH Baumarkt AG subgroup** decreased by 12.0% to € 135.2 million (2017/18: € 153.7 million). Given non-operating earnings items of € 0.9 million, adjusted EBIT for the first nine months of 2018/19 fell by 12.6% to € 134.3 million (2017/18: € 153.6 million). Further details on the earnings performance can be found in the quarterly statement separately published by the HORNBACH Baumarkt AG subgroup.

The EBIT of € 6.6 million reported by the **HORNBACH Baustoff Union GmbH subgroup** also fell short of the previous year's figure (**€ 8.8 million**). This was due to a lower gross margin in the third quarter and the scheduled increase in personnel and operating expenses in connection with the subgroup's expansion, as well as higher depreciation and amortization. As in the previous year's period, there were no non-operating earnings items in the first nine months of 2018/19.

Nine-month EBIT at the **HORNBACH Immobilien AG subgroup** decreased by 5.4% to € 42.5 million (2017/18: € 44.9 million). This was chiefly due to a base effect, namely disposal gains of € 1.8 million resulting from the sale of land in the previous year's period, whereas disposal gains of only € 0.1 million were generated in the first nine months of the 2018/19 financial year. Adjusted EBIT at the subgroup decreased by 1.8% to € 42.3 million in the first nine-months of 2018/19 (2017/18: € 43.1 million).

Financial and asset position

Financial position

Investments rose significantly from € 98.3 million in the previous year's period to € 158.3 million in the first nine months of 2018/19. A large share of the additional investment total related to the acquisition of a piece of land with a building in Switzerland in the first quarter and to the buyback of two stores previously leased in the Greater Berlin region in the second quarter. Furthermore, the company also acquired land for its medium-term expansion in Europe. At € 110.2 million, around 70% of investments were channeled into land and buildings, while the remaining sum involved plant and office equipment at new and existing stores, as well as intangible assets (mainly IT software). The investments were fully financed from the cash flow of € 169.2 million from operations (2017/18: € 188.8 million). Detailed information about the financing and investing activities of the HORNBACH Group can be found in the cash flow statement on Page 13.

HORNBACH Holding B.V. agreed two promissory note loans as of September 6, 2018. These have a total amount of € 95 million and are guaranteed by HORNBACH Baumarkt AG. The first tranche has a volume of € 52 million and a five-year term, while the second tranche has a volume of € 43 million and a seven-year term. Both tranches were disbursed on September 13, 2018 and

have fixed interest coupons through to maturity. These funds serve to finance the company's expansion in the Netherlands, as well as the aforementioned buyback of the two locations previously leased in Germany.

Asset position

Total assets grew to € 2,839.7 million as of November 30, 2018, up 6.4% compared with the balance sheet date on February 28, 2018. This growth was mainly due to an € 82.0 million increase in property, plant and equipment. This was countered by a reduction of € 11.3 million in investment properties. Overall, non-current assets rose by € 69.1 million. Current assets rose by € 102.9 million, a development driven in particular by the increase of € 64.5 million in cash and cash equivalents.

Shareholders' equity as reported in the balance sheet amounted to € 1,556.9 million as of November 30, 2018 (February 28, 2018: € 1,462.9 million). The **equity ratio** [↪ [Glossary](#) on Page 8] remained constant at 54.8%. Non-current liabilities increased by € 66.8 million to € 759.8 million (2017/18: € 693.0 million). Current liabilities rose by € 11.3 million to € 523.1 million (2017/18: € 511.7 million). **Net financial debt** [↪ [Glossary](#) on Page 8] came to € 473.9 million as of November 30, 2018 (February 28, 2018: € 460.0 million).

Other Disclosures

Employees

The HORNBACH Holding AG & Co. KGaA Group had a total of 20,554 permanent employees across Europe at the reporting date on November 30, 2018 (February 28, 2018: 19,614).

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.

Events after Balance Sheet Date

In December 2018, we were notified that the planned buyback of two HORNBACH locations in the Netherlands from an external investor would not materialize. This will reduce the volume of investments in the current 2018/19 financial year. Gross investments are now expected to range between € 190 million and € 220 million. In our 2018/19 Half-Year Financial Report, we previously expected gross investments of between € 220 million and € 250 million.

Outlook

The Board of Management has confirmed the 2018/19 sales forecast and thus expects sales growth in a medium single-digit percentage range.

The forecast concerning the Group's expected earnings performance in the 2018/19 financial year was adjusted in an ad-hoc announcement published on December 10, 2018. Adjusted operating earnings (adjusted EBIT) are now expected to fall more than 10% short of 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, earnings before interest and taxes (EBIT) are 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	3 rd Quarter 2018/19	3 rd Quarter 2017/18	Change in %	Nine Months 2018/19	Nine Months 2017/18	Change in %
Sales	1,084.9	1,007.3	7.7	3,475.5	3,317.6	4.8
Cost of goods sold	705.7	648.5	8.8	2,230.6	2,110.8	5.7
Gross profit	379.2	358.8	5.7	1,244.9	1,206.9	3.2
Selling and store expenses	301.9	280.5	7.6	898.4	850.5	5.6
Pre-opening expenses	1.0	0.8	15.9	5.7	2.9	93.6
General and administration expenses	58.7	51.2	14.7	167.5	157.5	6.3
Other income and expenses	3.3	3.0	11.2	8.4	9.2	(8.9)
Earnings before interest and taxes (EBIT)	20.9	29.2	(28.5)	181.7	205.0	(11.4)
Interest and similar income	0.3	0.2	74.2	0.6	0.5	29.0
Interest and similar expenses	5.7	5.9	(4.4)	17.4	18.6	(6.3)
Other financial result	0.5	(2.4)	>100	0.9	(4.2)	>100
Net financial expenses	(4.8)	(8.1)	(40.4)	(15.9)	(22.3)	(28.7)
Consolidated earnings before taxes	16.1	21.1	(23.9)	165.8	182.7	(9.3)
Taxes on income	4.3	5.3	(19.8)	43.7	47.2	(7.5)
Consolidated net income	11.8	15.8	(25.2)	122.1	135.5	(9.9)
of which: income attributable to shareholders	11.5	14.6	(21.2)	100.2	111.1	(9.8)
of which: non-controlling interest	0.3	1.2	(75.9)	21.9	24.4	(10.4)
Basic/diluted earnings per share (€)	0.72	0.92	(21.7)	6.26	6.94	(9.8)

Balance Sheet

Assets	November 30, 2018		February 28, 2018	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	18.4	0.6	19.2	0.7
Property, plant, and equipment	1,710.7	60.2	1,628.8	61.1
Investment property	27.2	1.0	38.5	1.4
Other non-current receivables and assets	6.8	0.2	7.2	0.3
Deferred tax assets	10.3	0.4	10.8	0.4
	1,773.5	62.5	1,704.5	63.9
Current assets				
Inventories	703.7	24.8	698.7	26.2
Trade receivables	42.1	1.5	32.1	1.2
Contract assets	1.4	0.0	n/a	n/a
Other current assets	73.2	2.6	61.6	2.3
Income tax receivables	14.1	0.5	6.8	0.3
Cash and cash equivalents	228.5	8.0	164.1	6.1
Non-current assets held for sale and disposal groups	3.1	0.1	0.0	0.0
	1,066.2	37.5	963.2	36.1
	2,839.7	100.0	2,667.7	100.0

Equity and liabilities	November 30, 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	1,114.6	39.2	1,037.8	38.9
Equity of shareholders of HORNBACH HOLDING AG & Co. KGaA	1,292.9	45.5	1,216.2	45.6
Non-controlling interest	263.9	9.3	246.8	9.2
	1,556.9	54.8	1,462.9	54.8
Non-current liabilities				
Non-current financial debt	653.3	23.0	587.3	22.0
Provisions for pensions	11.1	0.4	10.9	0.4
Deferred tax liabilities	50.4	1.8	50.1	1.9
Other non-current liabilities	45.0	1.6	44.8	1.7
	759.8	26.8	693.0	26.0
Current liabilities				
Current financial debt	49.1	1.7	36.8	1.4
Trade payables	229.4	8.1	267.4	10.0
Contract liabilities	26.2	0.9	n/a	n/a
Other current liabilities	103.4	3.6	93.9	3.5
Income tax liabilities	41.1	1.4	21.1	0.8
Other provisions and accrued liabilities	73.9	2.6	92.6	3.5
	523.1	18.4	511.7	19.2
	2,839.7	100.0	2,667.7	100.0

Statement of Changes in Equity

Nine Months 2017/2018 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to shareholders	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					111.1	111.1	24.4	135.5
Actuarial gains and losses on defined benefit plans, net after taxes					2.0	2.0	0.6	2.6
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.3			0.3	0.0	0.3
Foreign currency translation				(4.5)		(4.5)	(1.2)	(5.7)
Total comprehensive income	0.0	0.0	0.3	(4.5)	113.1	108.8	23.9	132.7
Dividend distribution					(24.0)	(24.0)	(5.1)	(29.1)
Treasury stock transactions					0.0	0.0	0.0	(0.1)
Balance at November 30, 2017	48.0	130.4	(1.2)	17.9	1,049.5	1,244.6	256.7	1,501.3

Nine Months 2018/19 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to shareholders	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
Adjustments due to IFRS 9					0.5	0.5	0.0	0.5
Balance at March 1, 2018 (adjusted)	48.0	130.4	(1.1)	18.5	1,022.2	1,218.0	247.2	1,465.2
Consolidated net income					100.2	100.2	21.9	122.1
Actuarial gains and losses on defined benefit plans, net after taxes					0.2	0.2	0.1	0.3
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.2			0.2	0.0	0.2
Foreign currency translation				(1.5)		(1.5)	(0.1)	(1.6)
Total comprehensive income	0.0	0.0	0.2	(1.5)	100.4	99.1	21.9	121.0
Dividend distribution					(24.0)	(24.0)	(5.1)	(29.1)
Treasury stock transactions					(0.1)	(0.1)	0.0	(0.2)
Balance at November 30, 2018	48.0	130.4	(0.9)	17.0	1,098.5	1,292.9	263.9	1,556.9

Cash Flow Statement

€ million	Nine Months 2018/19	Nine Months 2017/18
Consolidated net income	122.1	135.5
Depreciation and amortization of non-current assets	79.9	74.7
Change in provisions	(0.9)	2.6
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(1.1)	(2.4)
Change in inventories, trade receivables, and other assets	(35.7)	(13.7)
Change in trade payables and other liabilities	5.2	(11.2)
Other non-cash income/expenses	(0.2)	3.2
Cash flow from operating activities	169.2	188.8
Proceeds from disposal of non-current assets and of non-current assets held for sale	4.1	7.8
Payments for investments in property, plant, and equipment	(154.8)	(91.3)
Payments for investments in intangible assets	(3.5)	(6.9)
Cash paid for investments in connection with short-term finance planning	0.0	30.0
Cash flow from investing activities	(154.3)	(60.5)
Dividends paid	(29.1)	(29.1)
Proceeds from taking up long-term debt	95.0	0.0
Repayment of long-term debt	(15.3)	(24.9)
Change in ownership interest in a subsidiary without a change in control	(0.1)	0.0
Change in current financial debt	(0.9)	(28.9)
Cash flow from financing activities	49.6	(82.8)
Cash-effective change in cash and cash equivalents	64.5	45.4
Change in cash and cash equivalents due to changes in exchange rates	0.0	(1.5)
Cash and cash equivalents at March 1	164.1	190.1
Cash and cash equivalents at November 30	228.5	234.0

Segment Report

Nine Months 2018/19 in € million Nine Months 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	3,256.1	217.7	60.2	(58.5)	3,475.5
	3,109.6	206.2	59.7	(57.9)	3,317.6
Sales to third parties	3,253.6	217.5	0.0	0.0	3,471.1
	3,108.6	206.1	0.0	0.0	3,314.7
Sales to affiliated companies	0.0	0.2	0.0	(0.2)	0.0
	0.0	0.1	0.0	(0.1)	0.0
Rental income from third parties	2.4	0.0	1.9	0.0	4.4
	1.0	0.0	1.9	0.0	2.9
Rental income from affiliated companies	0.0	0.0	58.3	(58.3)	0.0
	0.0	0.0	57.8	(57.8)	0.0
Segment earnings (EBIT)	135.2	6.6	42.5	(2.7)	181.7
	153.7	8.8	44.9	(2.4)	205.0
Depreciation and amortization/write-ups	64.1	5.2	10.2	0.0	79.5
	59.5	4.8	10.3	0.0	74.6
EBITDA	199.3	11.8	52.7	(2.7)	261.1
	213.2	13.6	55.2	(2.4)	279.6
Segment assets	2,151.8	181.8	461.3	20.5	2,815.3
	1,995.4	176.4	473.9	15.6	2,661.3

Reconciliation in € million	Nine Months 2018/19	Nine Months 2017/18
Segment earnings (EBIT) before "Headquarters and consolidation"	184.4	207.4
Headquarters	(2.7)	(2.6)
Consolidation adjustments	0.0	0.3
Net financial expenses	(15.9)	(22.3)
Consolidated earnings before taxes	165.8	182.7

FINANCIAL CALENDAR

March 21, 2019	Trading Statement as of February 28, 2019
May 27, 2019	2018/19 Annual Report Annual Results Press Conference
June 28, 2019	Quarterly Statement: 1 st Quarter of 2019/20
July 5, 2019	Annual General Meeting, Festhalle Landau, Landau/Pfalz
September 26, 2019	Half-Year Financial Report 2019/20 DVFA Analysts' Conference
December 19, 2019	Quarterly Statement: 3 rd Quarter of 2019/20

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DISCLAIMER

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