



Analyst Conference

HORNBACH Baumarkt AG

May 27, 2021

Fiscal Year 2020/21: Corona pandemic triggers DIY boom

High customer demand leads to strong sales growth

- Net sales **plus 15.4%** to **€ 5,456 million**
- Like-for-like sales **plus 14.7%** (DE: 18.6%; INT: 10.8%)

Significant increase in profitability

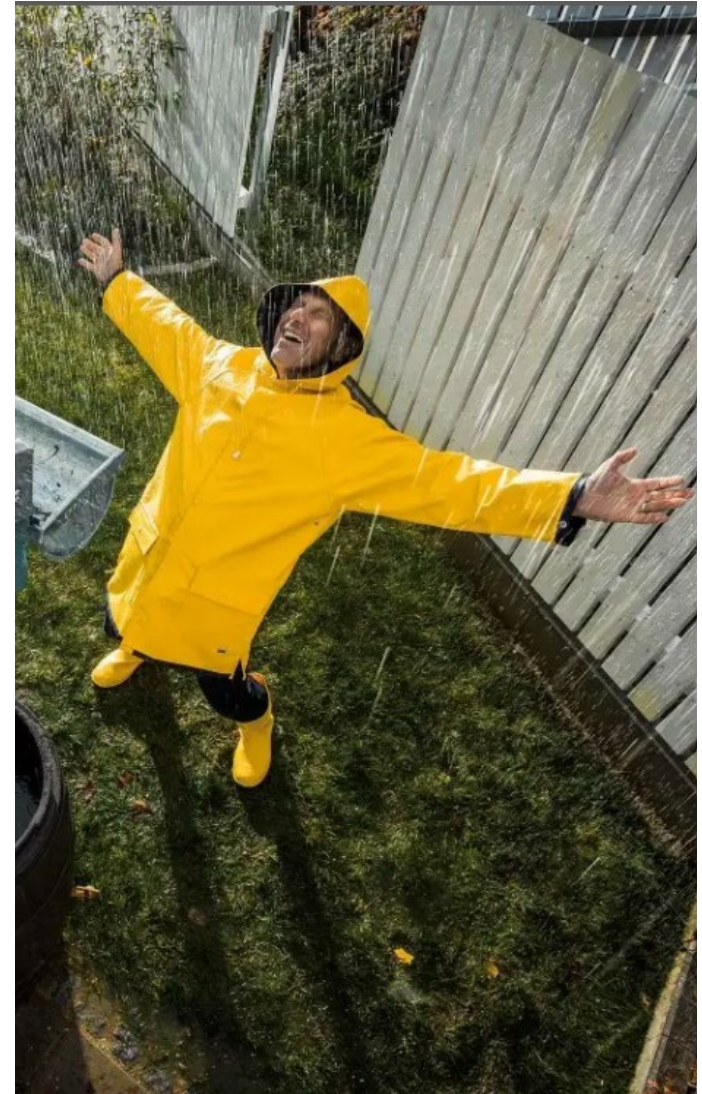
- Adj. EBIT **plus 44%** to **€ 326 million** (adj. EBIT margin at 6.0%)
- Earnings per share jump from € 6.56 to **€ 10.33**

Successful expansion of online channels

- ICR sales represented **17%** of HORNBAACH Baumarkt Group sales in 2020/21

Significant increase in share prices

- Hornbach Holding **plus 54%**
- Hornbach Baumarkt **plus 98%**



Competitive edge in Germany extended

HORNBACH Baumarkt Subgroup

Company	Calendar Year 2020 Gross Sales in € million	Calendar Year 2019 Gross Sales in € million	Change in € million	Change in %
Obi	4,600	4,100	500	12.2
Bauhaus	4,450	3,890	560	14.4
Toom/B1	3,236	2,755	481	17.5
HORNBACH	3,150	2,600	550	21.2
Hagebau	3,093	2,771	322	11.6
Total Top 20	26,024	23,236	2,789	12.0

Source: Dähne Verlag, Statistik Baumarkt + Garten 2021

Financial Year 2020/21

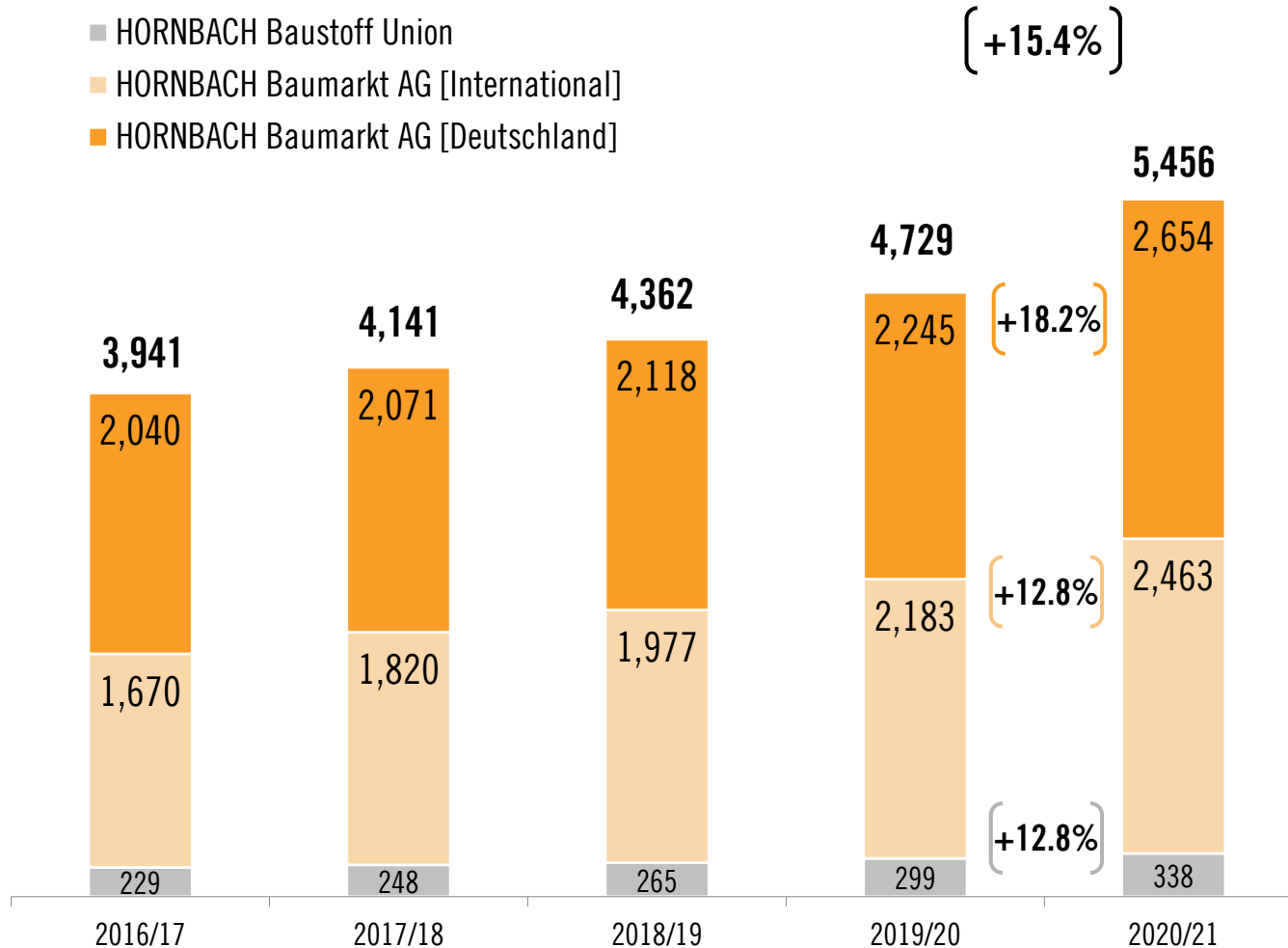
March 1, 2020 to February 28, 2021



Home improvement boom triggers record growth

HORNBACH Group

Net sales (€ million) and Sales growth in FY 2020/21



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Plus 15.6%

Net sales

Plus 14.7%

Like-for-like sales

Plus 101%

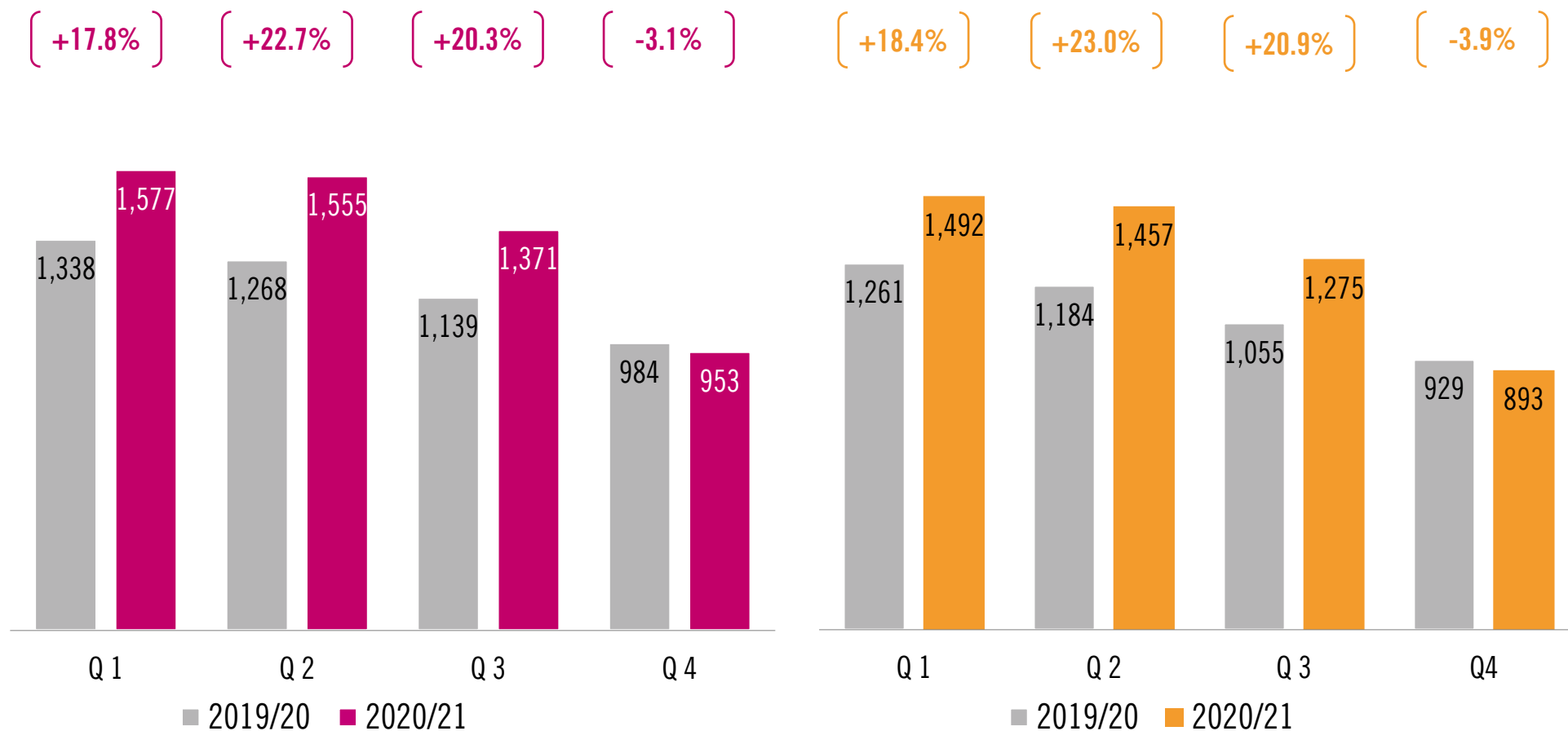
Online sales (incl. Click & Collect)

Significant increase in the strongest sales quarters

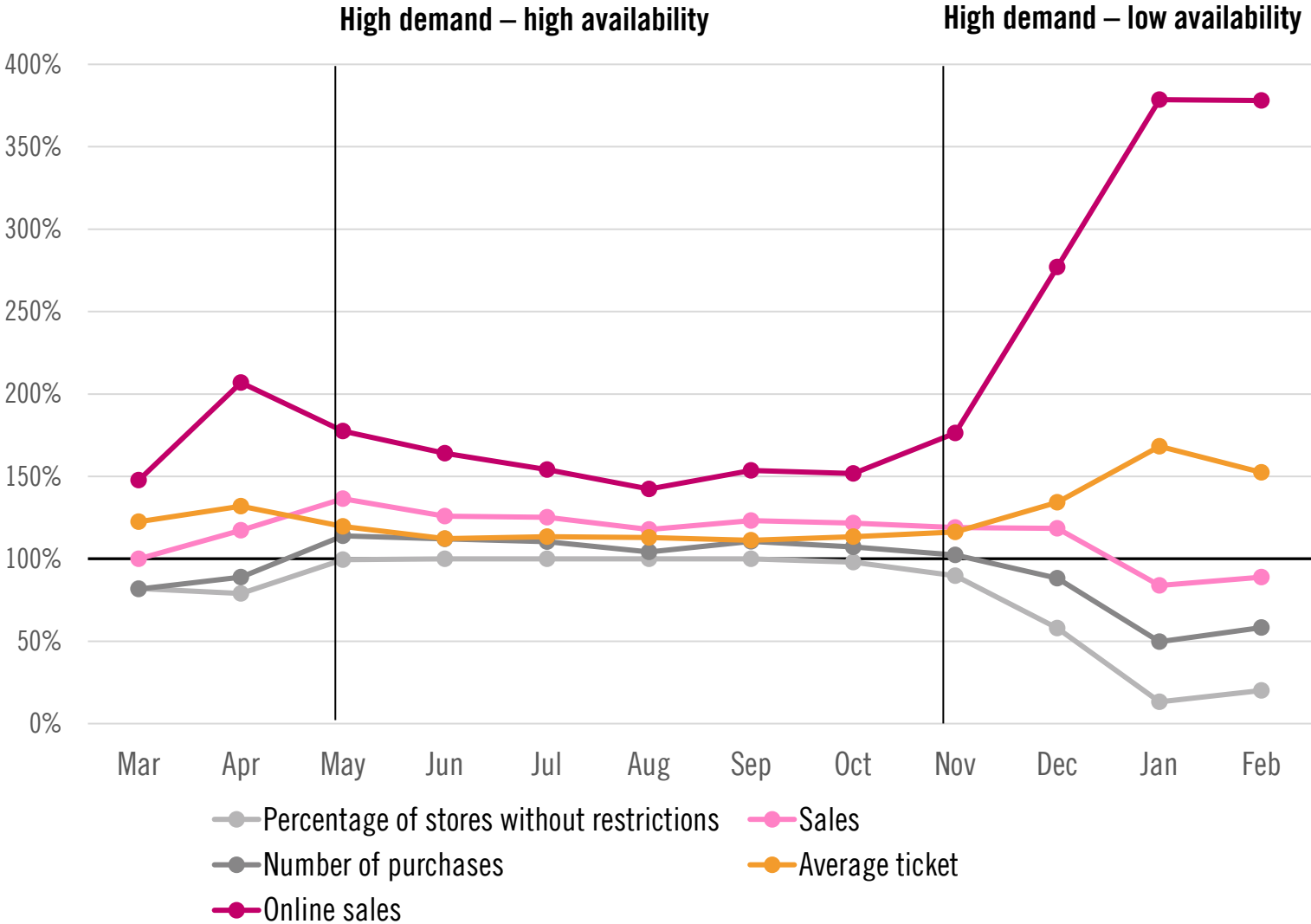
Net sales (€ million) and growth per quarter

HORNBACH Group

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High demand throughout the year



FY 2020/21

- Minus 5 %
Number of purchases
- Plus 22%
Average ticket
- Plus 113%
Number of online purchases

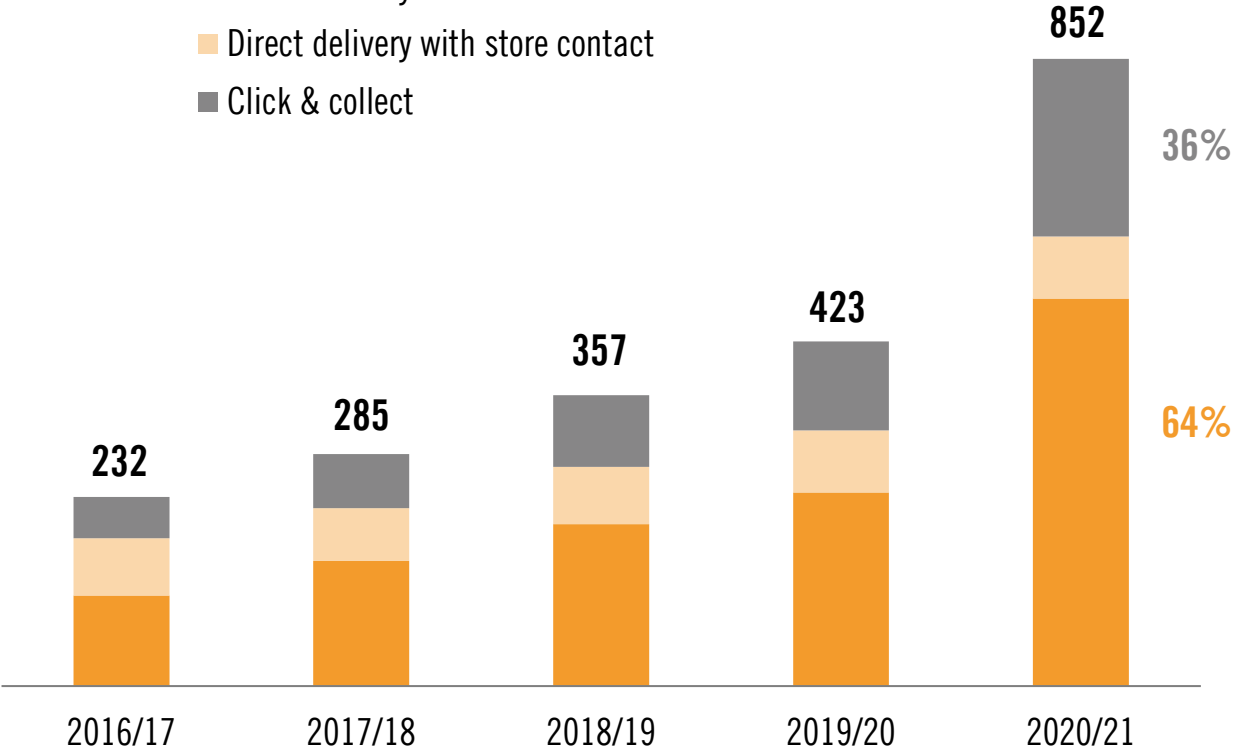
Rising e-commerce sales (€ million)

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Net sales (€ million) from online channels

6.3%	7.3%	8.7%	9.6%	16.7%	Share of total sales
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- Direct delivery without store contact
- Direct delivery with store contact
- Click & collect



Plus 101%
Online sales (incl. Click & Collect)

Plus 180%
Sales from Click & Collect

Plus 74%
Sales from direct delivery (with/without store contact)

Geographic diversity smoothes impact from lockdown measures

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Like-for-like sales growth¹⁾ in %

	Q1 2020/21	Q2 2020/21	Q3 2020/21	Q4 2020/21	FY 2020/21
Total	17,5	21.4	19.7	(3.5)	14.7
∅ Open to private customers ²⁾	87%	100%	96%	31%	79%
Germany	24.4	24.1	25.5	(4.9)	18.6
∅ Open to private customers ²⁾	92%	100%	100%	17%	77%
International	10.3	18.6	14.0	(2.2)	10.8
∅ Open to private customers ²⁾	79%	100%	90%	52%	80%
Austria	7.6	18.9	15.3	7.7	12.6
Czech Republic	7.4	6.8	(8.7)	(10.9)	(0.4)
Luxembourg	17.3	46.1	31.4	38.5	32.8
Netherlands	22.1	20.8	19.5	(27.3)	9.2
Romania	17.9	27.0	19.2	17.3	20.5
Slovakia	(26.5)	6.8	8.8	(15.3)	(6.5)
Sweden	22.4	25.4	22.4	17.5	22.2
Switzerland	(0.6)	19.4	19.1	23.2	14.2

1) In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shop

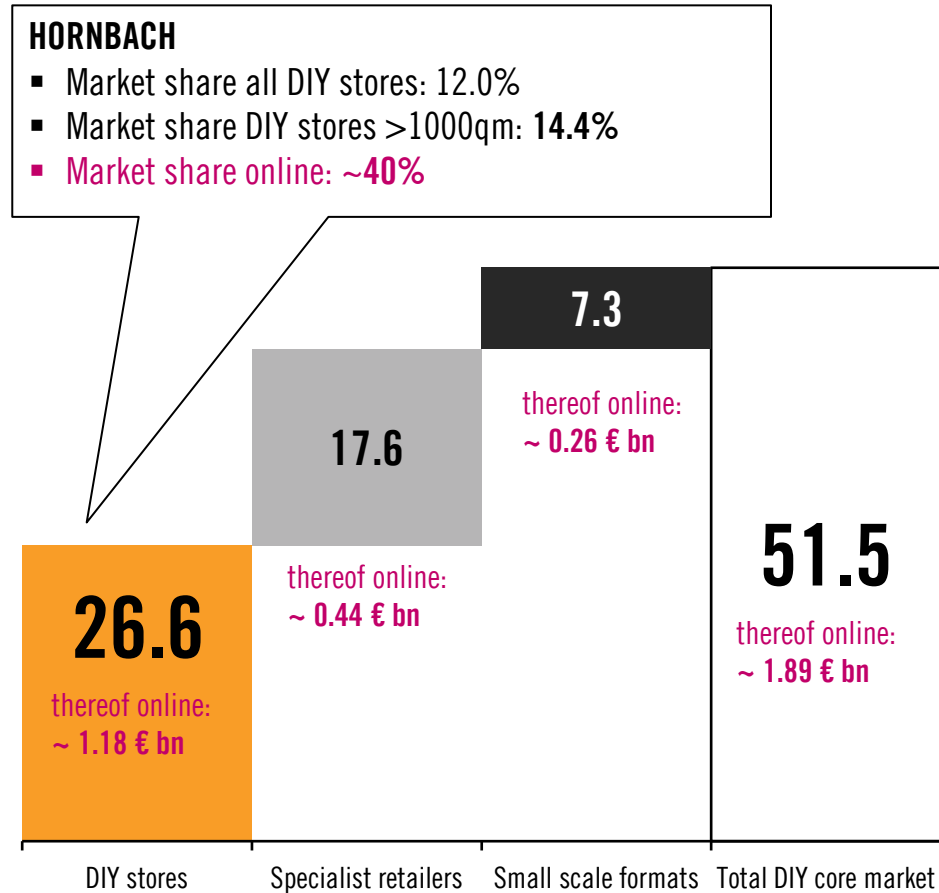
2) Share of HORNBACH stores open to all customers without significant sales restrictions during the reporting period

Market shares increase across Europe

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German DIY core market

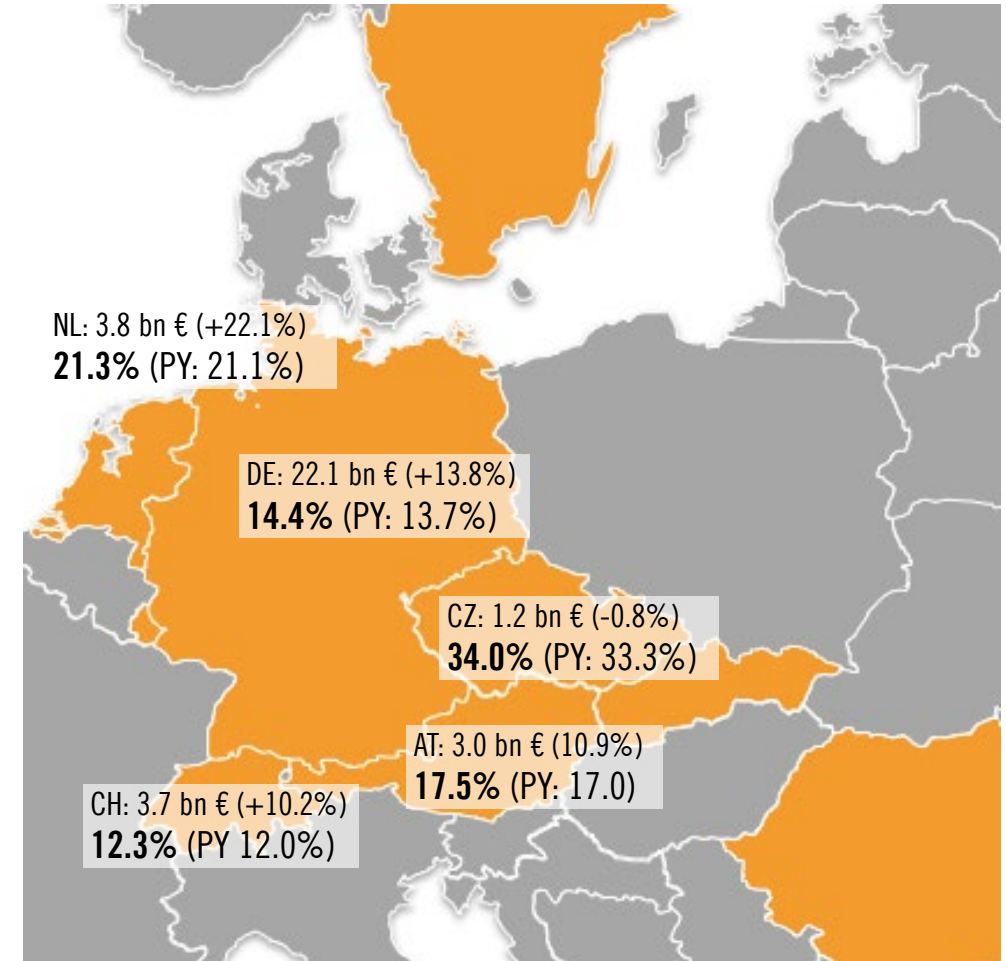
Gross sales in € bn



Sources: GfK DIY-TSR, Teipel Retail & Consulting, own estimates

Market shares in Europe – Large DIY stores >1000 qm

Gross sales in € bn and market growth in %, market share of HORNBACH in %

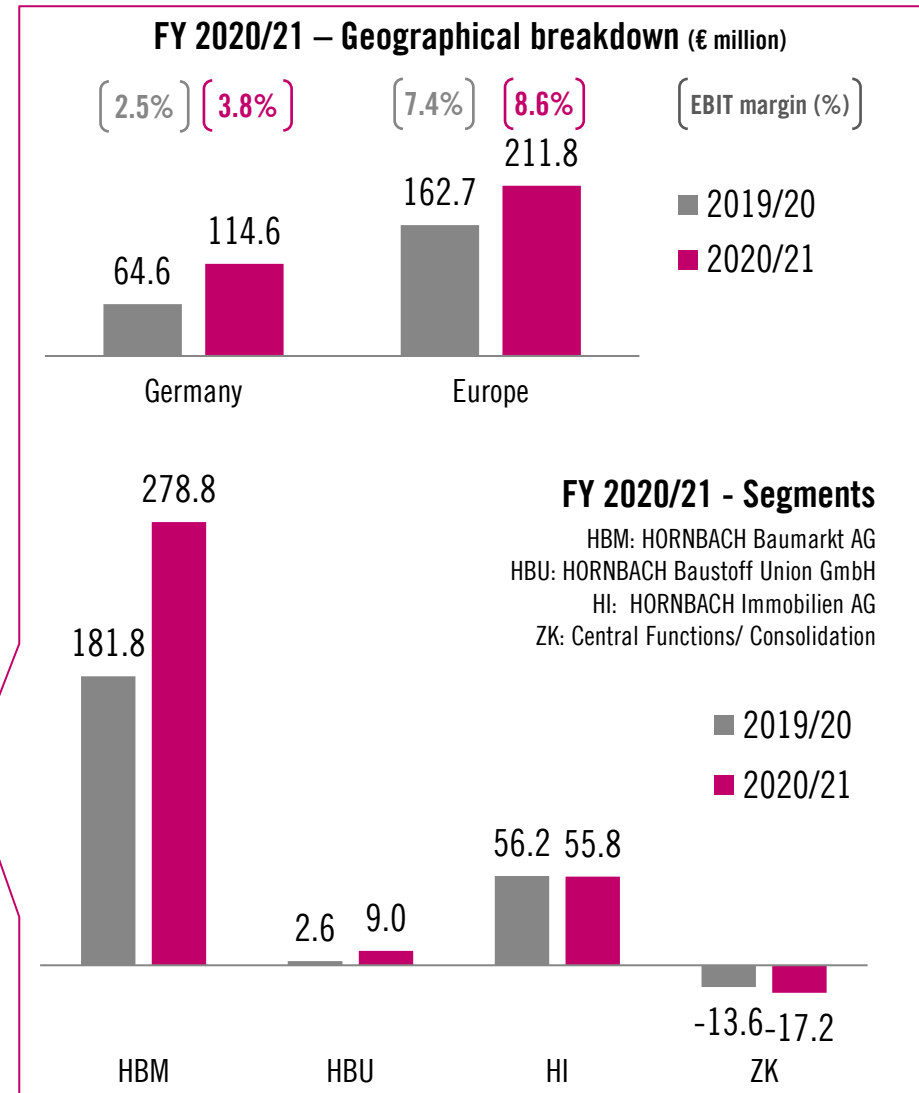
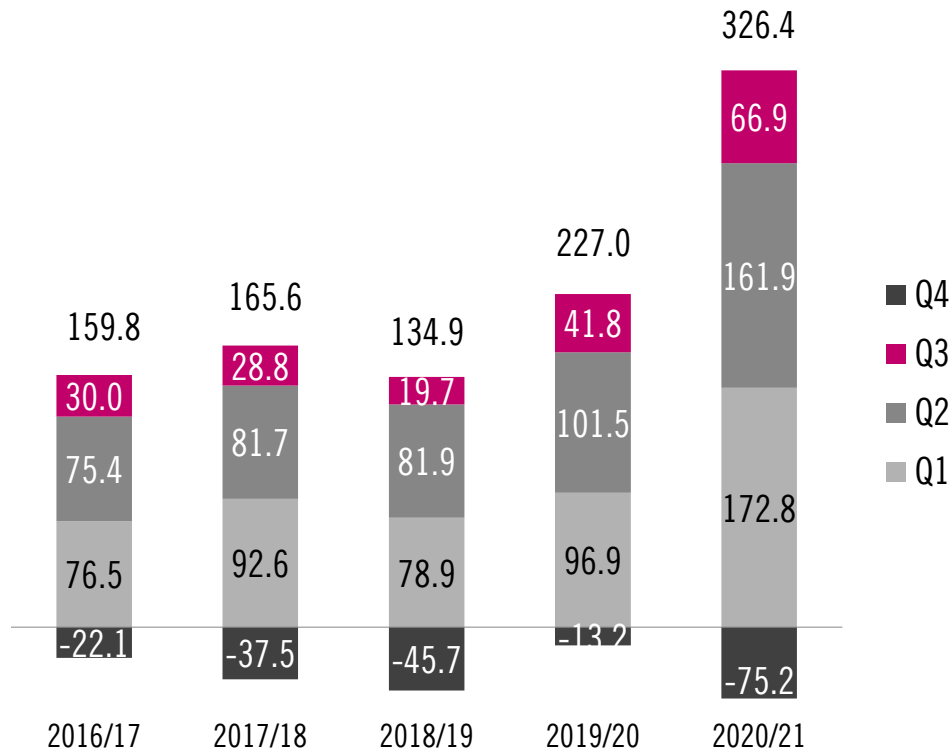


No data for Sweden, Slovakia, Romania

Significant increase in adjusted EBIT (€ million)

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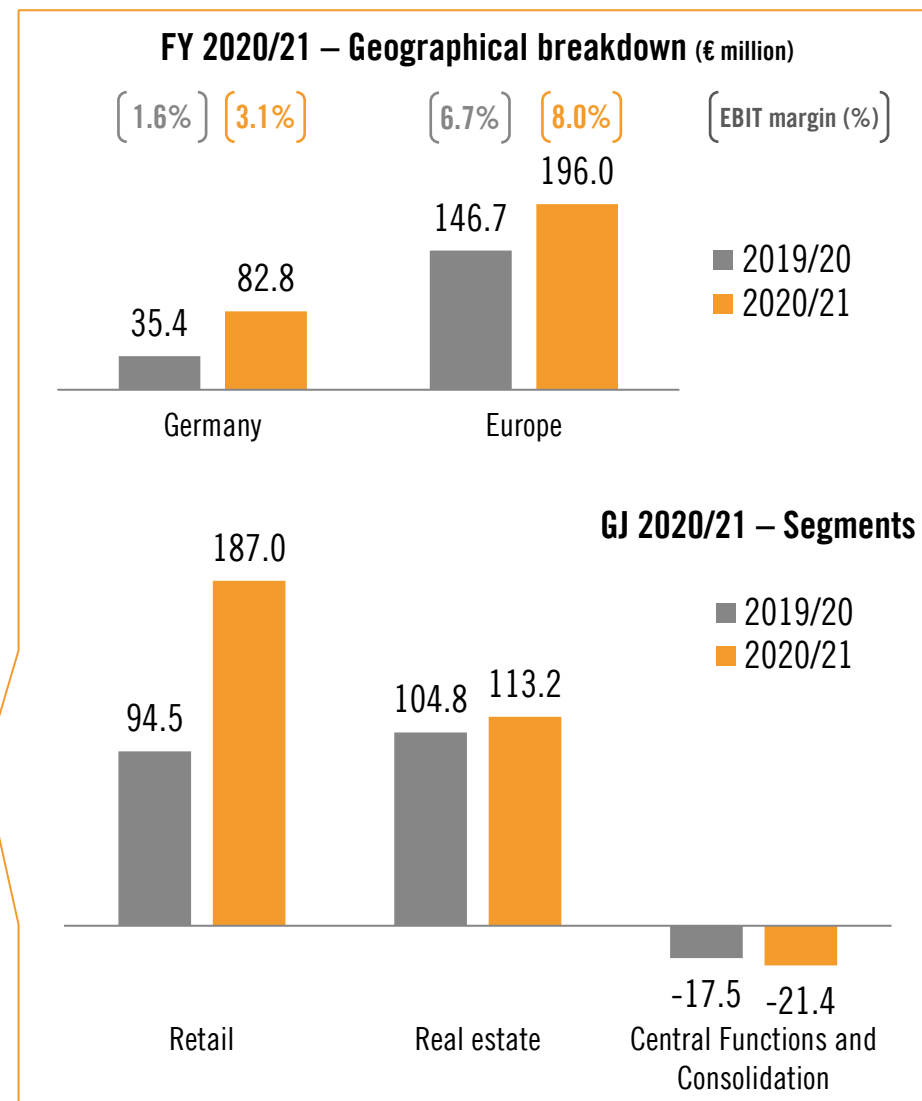
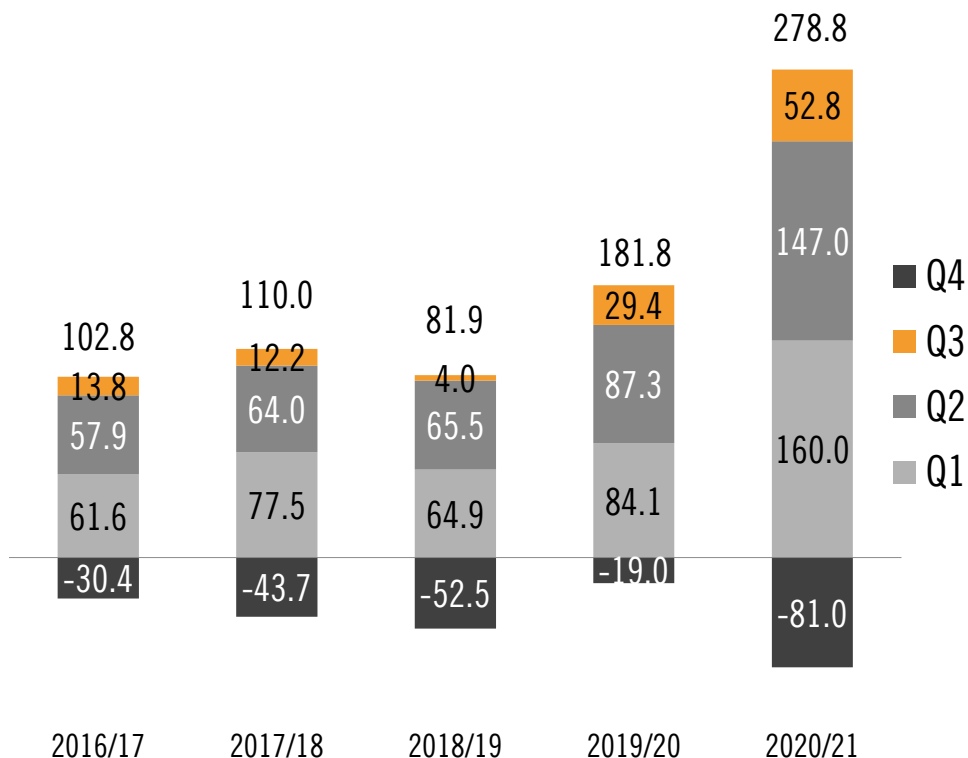
Reconciliation	FY 2019/20	FY 2020/21
EBIT	213.8	311.9
Non-operating earnings	-2.6	-4.0
Non-operating expenses	+15.8	+18.4
Adjusted EBIT	227.0	326.4



Significant increase in adjusted EBIT (€ million)

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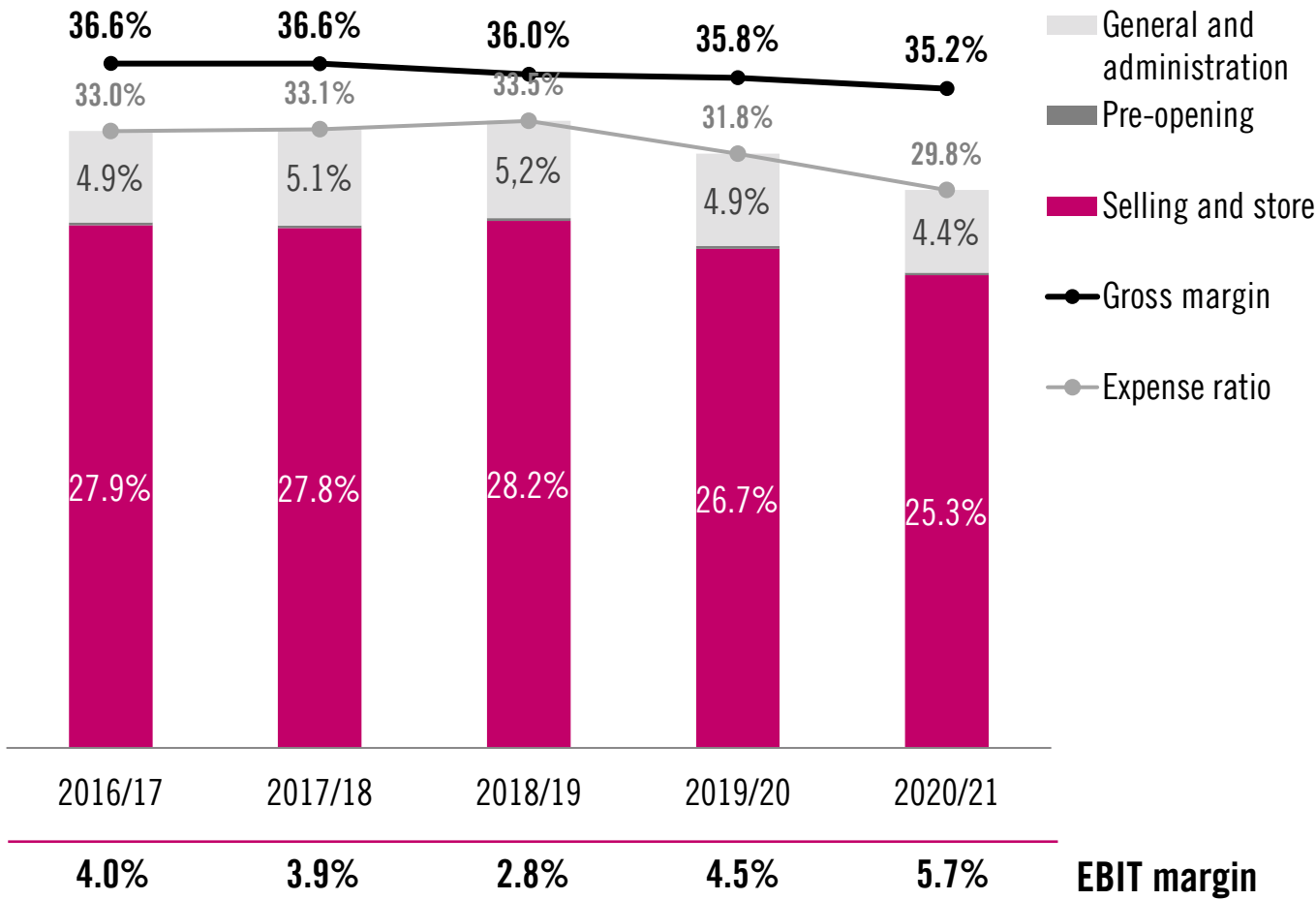
Reconciliation	FY 2019/20	FY 2020/21
EBIT	163.9	258.6
Non-operating earnings	-1.2	0
Non-operating expenses	+19.1	+20.2
Adjusted EBIT	181.8	278.8



Improved cost ratios

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Cost structure and EBIT in % of net sales

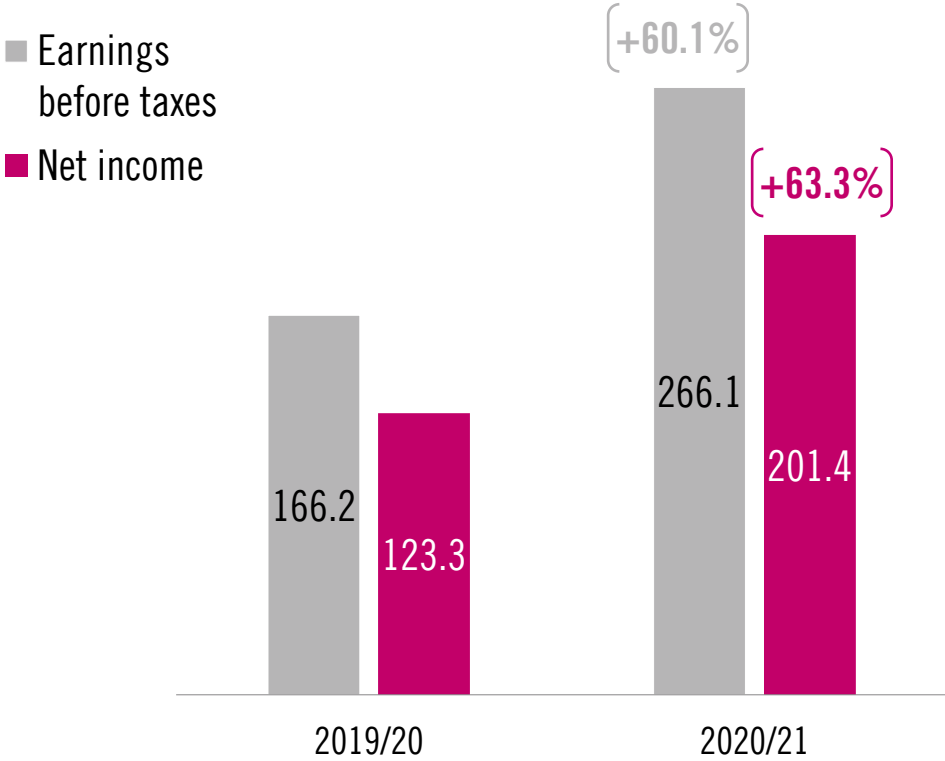


- Higher online share results in lower gross margin (shipping cost, product mix effect)
- Selling and store expenses and administration expenses include costs related to hygiene measures and security as well as Corona bonuses: **€ 31 million**
- Government subsidies as well as rent rebates and other Covid 19-related income: **€ 6 million**

Significant increase in earnings before taxes and net income (€ million)

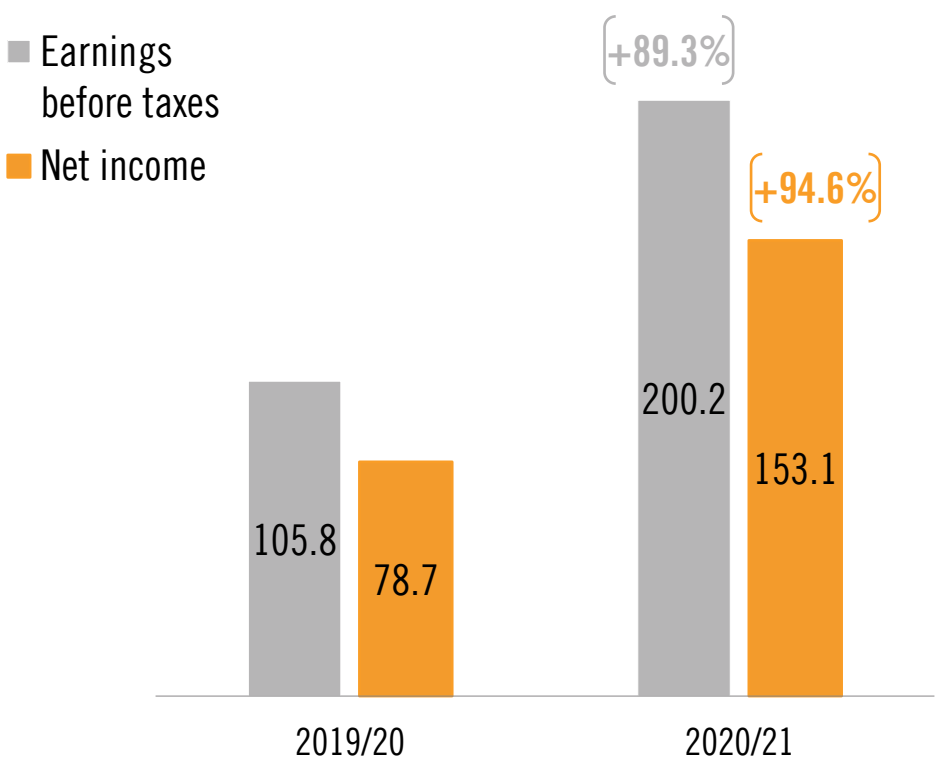
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Tax rate	25.8%	24.3%
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Tax rate	25.6%	23.5%
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High level of Free Cashflow (€ million)

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	2019/20	2020/21
Cash flow from operating activities	324.5	346.5
<i>of which: funds from operations</i>	<i>333.5</i>	<i>400.2</i>
<i>of which: change in working capital</i>	<i>-9.0</i>	<i>-53.7</i>
Cash flow from investing activities	-121.6	-149.2
<i>of which: investments in fixed assets</i>	<i>-126.7</i>	<i>-148.3</i>
Cash flow from financing activities	-152.1	-129.0
Free Cashflow	202.8	197.3

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	2019/20	2020/21
Cash flow from operating activities	327.5	333.5
<i>of which: funds from operations</i>	<i>331.7</i>	<i>393.5</i>
<i>of which: change in working capital</i>	<i>-4.3</i>	<i>-60.0</i>
Cash flow from investing activities	-94.9	-136.9
<i>of which: investments in fixed assets</i>	<i>-92.8</i>	<i>-134.6</i>
Cash flow from financing activities	-174.3	-162.7
Free Cashflow	232.6	196.6

Rounding differences

CAPEX (€ million)

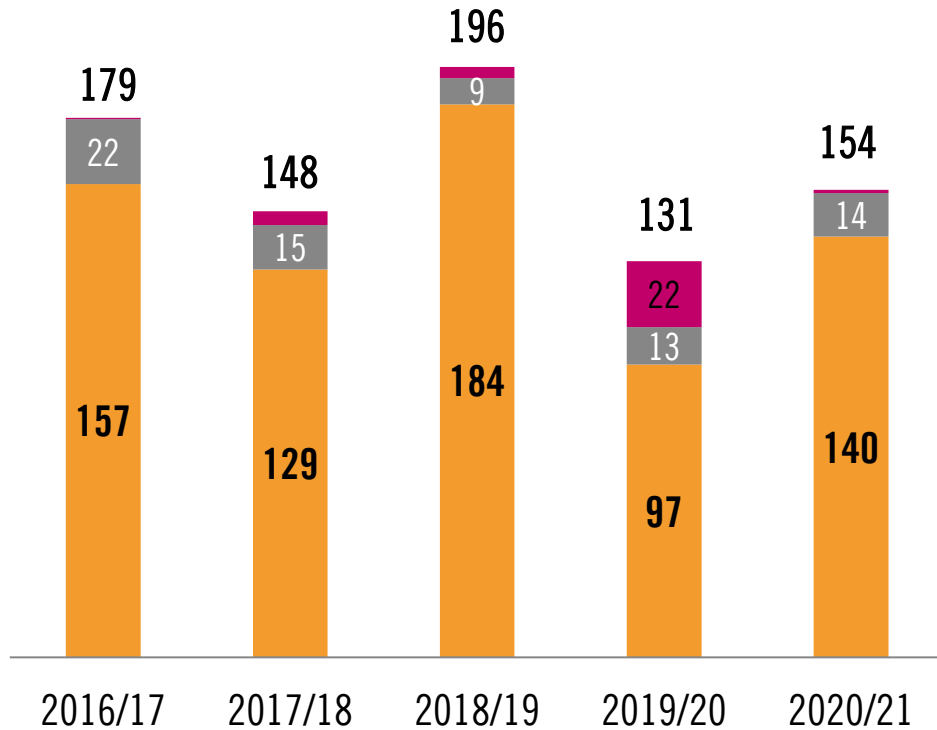
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- HORNBACK Immobilien
- HORNBACK Baustoff Union
- HORNBACK Baumarkt

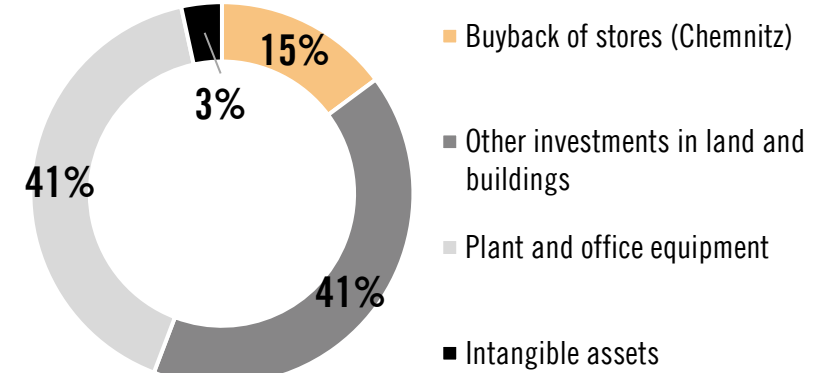
Investments in stores (5Y average)

~60% new stores

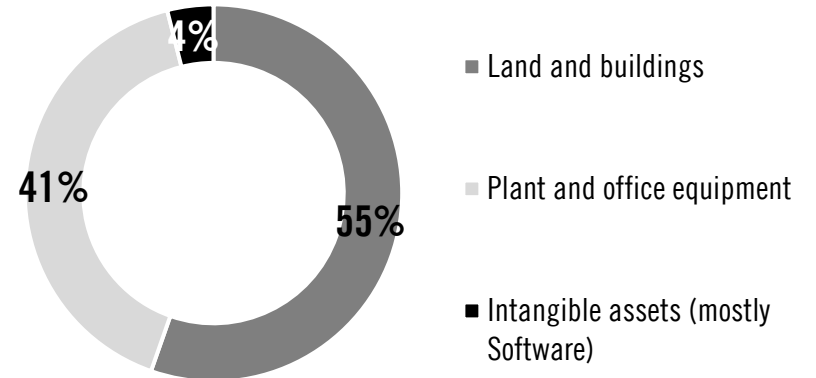
~40% existing stores



CAPEX split in 2019/20 – HORNBACK Group

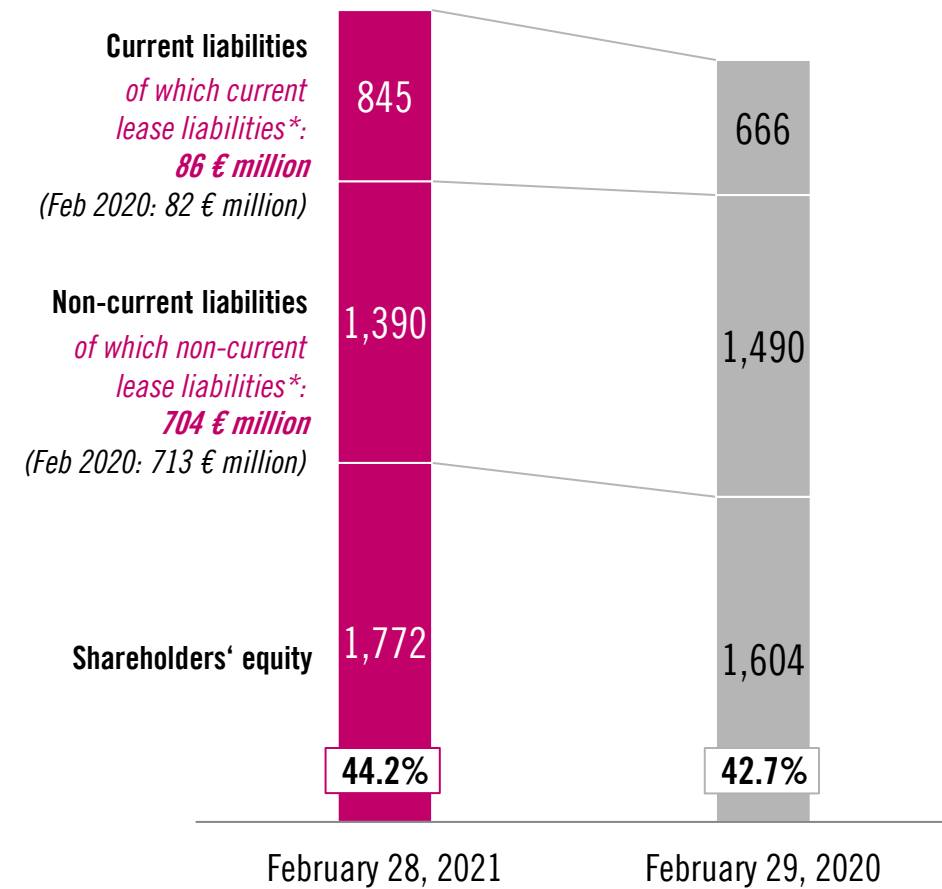
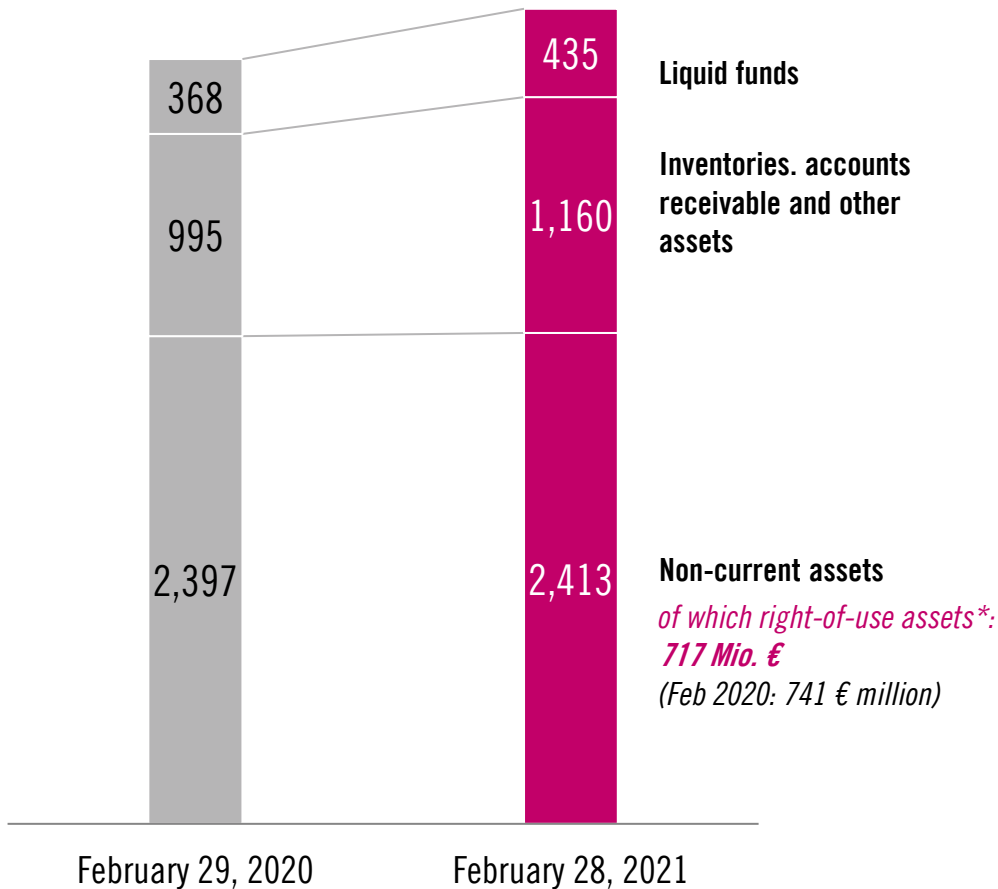


CAPEX split in 2020/21 – HORNBACK Group



Strong Balance Sheet (€ million)

HORNBACH Group



*IFRS 16 leases standard

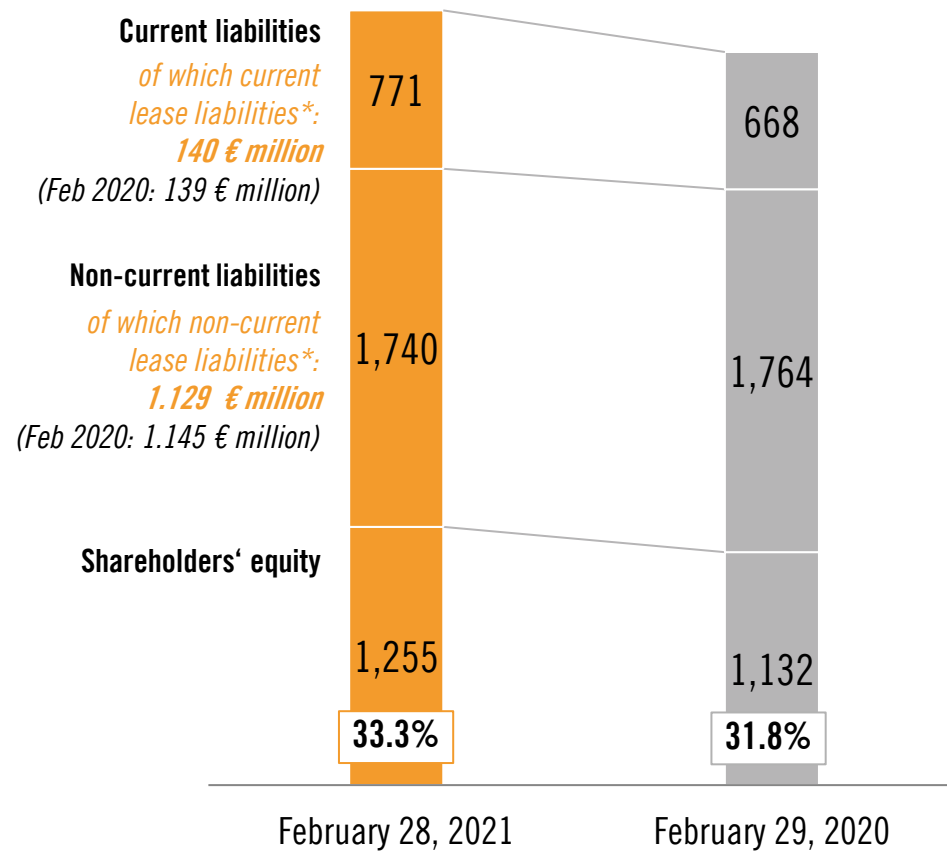
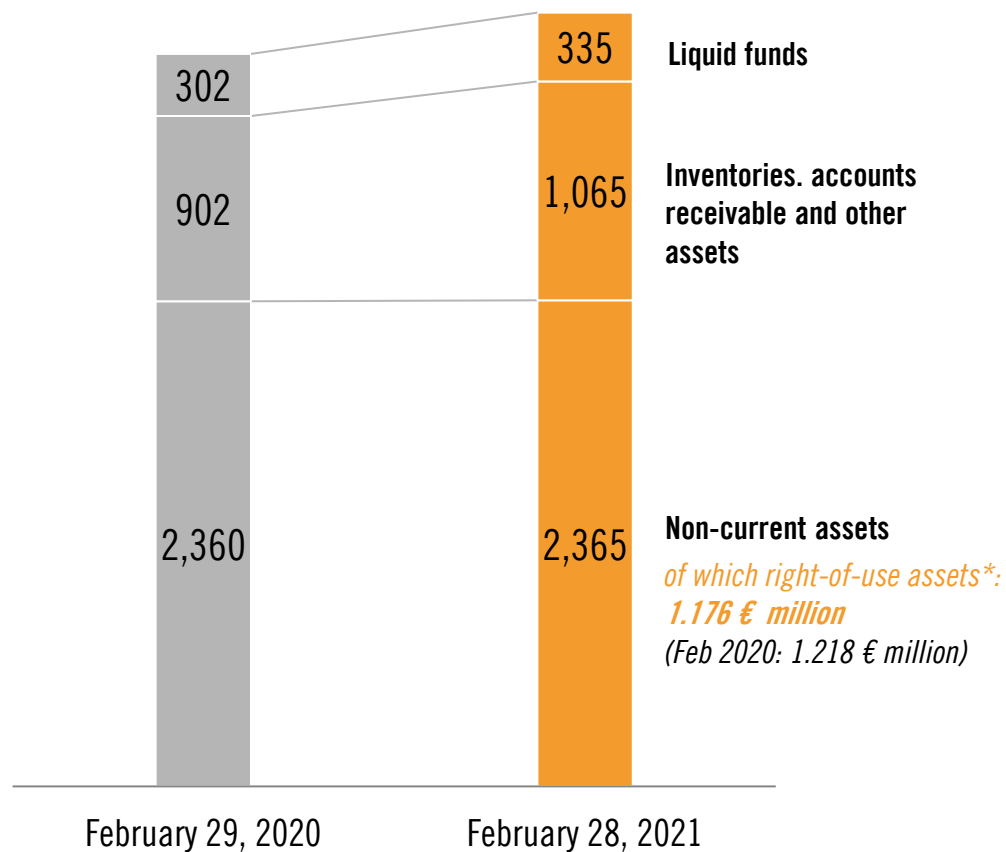
Rounding differences

Strong Balance Sheet (€ million)

HORNBACH Baumarkt Subgroup

3,564	3,765	Total Assets
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Total Equity and liabilities	3,765	3,564
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*IFRS 16 leases standard

Rounding differences

Reduced net debt and high levels of liquidity

HORNBACH Holding Group

in € million

Financial debt	1,539	1,520
<i>thereof lease liabilities</i>	795	790
Cash	368	435
Net debt	1,171	1,085
Net debt excl. lease liabilities	375	295
Debt ratio (net debt/EBITDA)	2.8	2.1

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in € million

Unused credit lines	413	414
Cash	368	435
Free liquidity	781	849

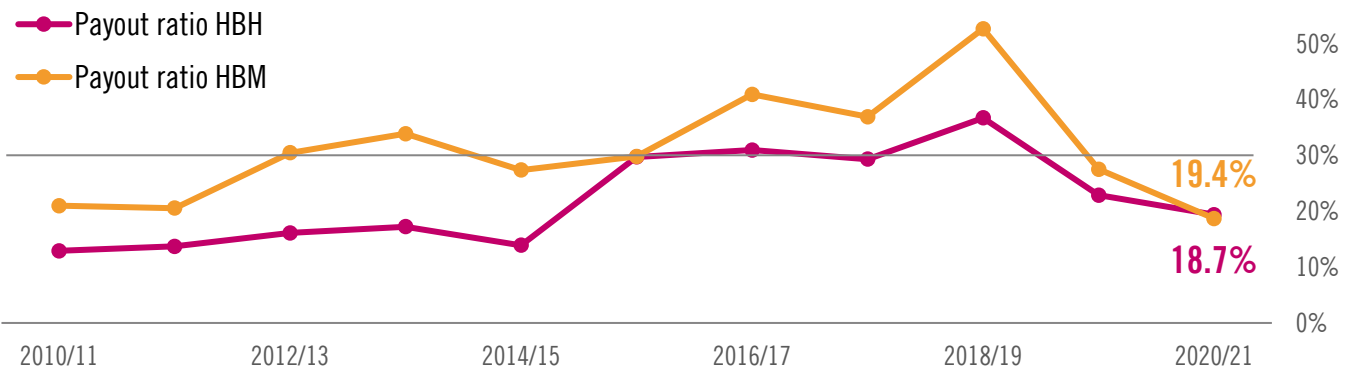
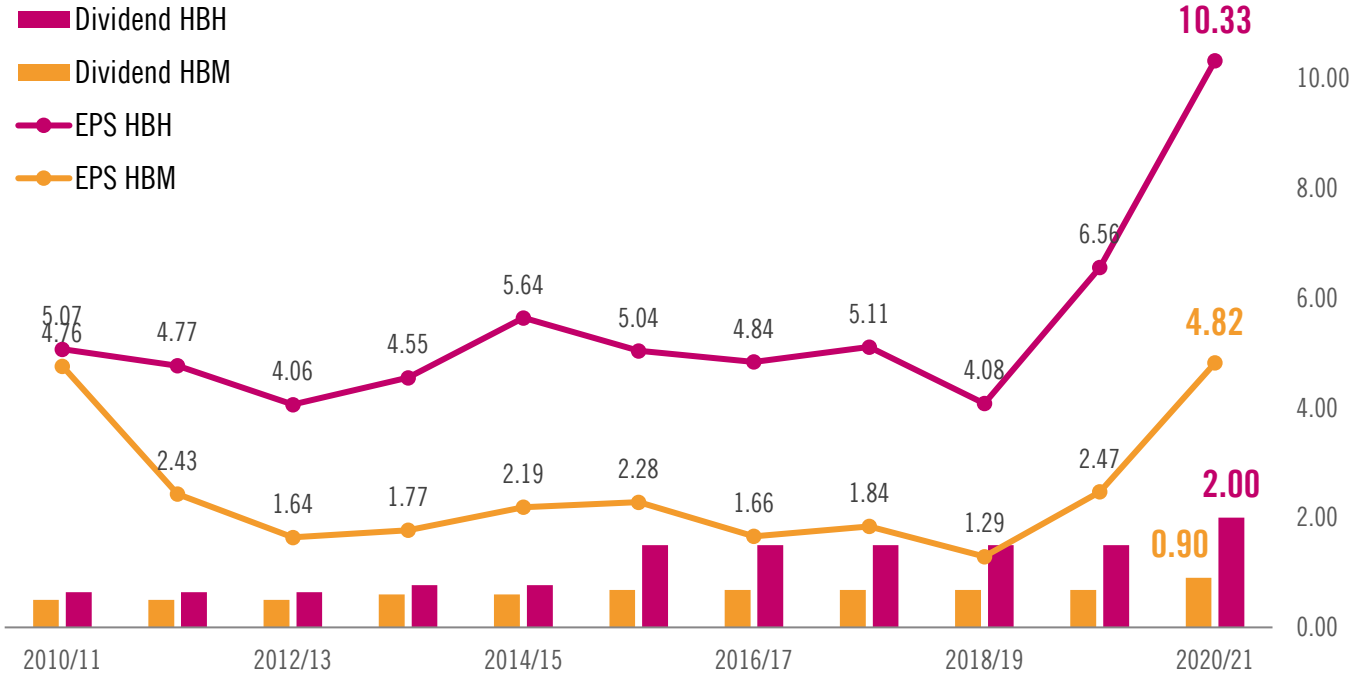
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2019/20	2019/20
1,875	1,860
1,284	1,269
302	335
1,573	1,525
290	256
3.8	3.0

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2019/20	2020/21
380	380
302	335
682	715

Higher dividend proposed



Total Shareholder Return 2020/21

56.6% HORNBACK Holding

102.2% HORNBACK Baumarkt

Dividend policy

- (1) Sustainable payouts:** Continuous dividend payments since IPO by both companies
- (2) No decrease in dividend:** Payout at least at previous year's level
- (3) Target (HBH):** Average payout ratio of around 30% of consolidated net income (after minority interests)

Outlook

Financial Year 2021/22

March 1, 2021 to February 28, 2022



New Store Openings and Outlook FY 2021/22

HORNBACH Baumarkt Subgroup: 5 store openings planned in 2021/22



Financial outlook

HORNBACH Group **HORNBACH Baumarkt Subgroup**

Sales 2021/22	In the region of previous year's level	
Sales 2020/21	5.456 Mio. €	5.117 Mio. €
Adjusted EBIT 2021/22	Below previous year's level, but significantly above FY 2019/20	
Adjusted EBIT 2020/21	326 Mio. €	279 Mio. €
CAPEX 2021/22	Above previous year's level	
CAPEX 2020/21	154 Mio. €	140 Mio. €

Lockdown measures impact spring season 2020/21

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Like-for-like sales growth in March and April 2021

	Mar 2020	Mar 2021	Apr 2020	Apr 2021	Total 2020	Total 2021
Total	(1%)	29%	16%	(4%)	8%	10%
∅ Fully open to private customers	82%	53%	79%	44%	81%	49%
Germany	11%	24%	25%	(10%)	19%	5%
∅ Fully open to private customers	91%	52%	86%	39%	88%	46%
International	(14%)	35%	7%	4%	(3%)	17%
∅ Open to private customers	71%	55%	68%	51%	69%	53%

Spring season 2021

- Mostly open gardening sections and Click & Meet/Collect
- Adverse weather conditions in April + May
- ICR sales up 80% in March + April yoy

Outlook Q1

- Germany thrown back by incidence-based closures
- International operations gaining speed – all stores fully open since May 10, 2021
- Decline in like-for-like sales expected in May due to very high base in May 2020
- Rising commodity prices throughout Q1 and challenges in the supply chain

Growth drivers for home improvement

The corona pandemic changed consumer behaviour¹⁾

50% of people have been spending more time on home improvement and 75% of those people say that they will continue to do so

53% of people who never worked from home previously now plan to work from home more often

44% of people have increased their usage of Click & Collect and 78% of those people say that they will continue to do so

...and accelerated some of the mid- and long-term trends

Construction activity

- Relocation/ rural-urban migration
- Increasing number of households
- High percentage of old houses in Europe
- Subsidies for renovations that increase energy efficiency and reduce barriers

Consumer trends

- Cocooning/homing and working from home
- Online shopping and click & collect
- Ethical consumption
- Environmentally-friendly lifestyle and healthy living
- Smart home

Sector trends

- Shift to multichannel retailing
- Large investments in digitalisation
- Over-saturation and market fragmentation (DE, AT) should trigger consolidation

Strategic Opportunities

- European expansion
- Interconnected Retail
- Professional customers
- Focus on project customers and corresponding services
- Sustainable products and innovative services

1) Source: Accenture, August 2020: How is COVID-19 changing the retail consumer?

Financial Calendar

May 27, 2021	Annual Report 2020/21 as of February 28, 2021 Analyst Conference of HORNBAACH Baumarkt AG
June 25, 2021	Financial Update Q1 as of May 31, 2021
July 7/8, 2021	Annual General Meetings of HORNBAACH Baumarkt AG and HORNBAACH Holding AG & Co. KGaA
September 30, 2021	Half-Year Financial Report as of August 31, 2021 Analyst Conference of HORNBAACH Holding AG & Co. KGaA
December 22, 2021	Financial Update Q3 as of November 30, 2021

Contact

Investor Relations

Axel Müller

(+49) 0 63 48 / 60 – 2444
axel.mueller@hornbach.com

Anne Spies

(+49) 0 63 48 / 60 – 4558
anne.spies@hornbach.com

www.hornbach-group.com

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