

HALF-YEAR FINANCIAL REPORT
HORNBAACH Holding AG & Co. KGaA
Group

H1

2024/25

(MARCH 1 – AUGUST 31, 2024)

HORNBACH HOLDING AG & CO. KGAA GROUP

Half-Year Financial Report 2024/25 (March 1 – August 31, 2024)

Key figures of the HORNBACH Holding AG & Co. KGaA Group (in € million, unless otherwise stated)	Q2 2024/25	Q2 2023/24	Change in %	6M 2024/25	6M 2023/24	Change in %
Net sales	1,640.1	1,667.9	(1.7)	3,445.8	3,441.3	0.1
of which: in Germany	833.2	859.8	(3.1)	1,756.7	1,771.2	(0.8)
of which: in Other European Countries	806.8	808.1	(0.2)	1,689.1	1,670.2	1.1
Like-for-like sales growth (HORNBACH Baumarkt) ¹⁾	(1.2)%	1.0%		0.7%	(1.3)%	
Gross margin as % of net sales	34.3%	33.0%		34.9%	33.3%	
EBITDA	174.8	166.3	5.1	376.3	331.3	13.6
EBIT	119.7	92.1	30.0	266.2	202.0	31.8
Adjusted EBIT²⁾	119.0	111.9	6.3	265.4	221.3	19.9
Consolidated earnings before taxes	111.1	80.7	37.7	242.3	174.7	38.7
Consolidated net income ³⁾	80.8	62.6	29.0	180.8	133.6	35.3
Basic/diluted earnings per share (€)	4.82	3.69	30.6	10.78	7.83	37.7
Capital expenditure (CAPEX)	27.9	40.6	(31.4)	51.2	91.7	(44.1)

Misc. key figures of the HORNBACH Holding AG & Co. KGaA Group (in € million, unless otherwise stated)	August 31, 2024	February 29, 2024	Change in %
Total assets	4,459.0	4,477.1	(0.4)
Shareholders' equity	2,072.0	1,948.1	6.4
Shareholders' equity as % of total assets	46.5%	43.5%	
Number of employees ⁴⁾	25,311	24,783	2.1

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

¹⁾ Like-for like sales net of currency items; includes sales at all stores that have been open for at least one year and online sales

²⁾ Adjusted to exclude non-operating income and expenses

³⁾ Including minority interests pursuant to IFRS

⁴⁾ Including passive employment relationships

HORNBACH Group delivers solid performance in Q2 2024/25

- Consolidated net sales of € 3,445.8 million in first half of 2024/25 stable at previous year's level (+0.1%) – Net sales at HORNBACH Baumarkt Subgroup +0.7%
- Adjusted EBIT for first half of 2024/25 up 19.9% to € 265.4 million – boosted by improved gross margin (+1.6 percentage points) and cost discipline
- Earnings per share rise to € 10.78 (+37.7%) in first half of 2024/25
- Full-year guidance for 2024/25 unchanged: Sales slightly higher than previous year and adjusted EBIT at or slightly higher than previous year expected

Customer demand for DIY and home improvement products remained stable in the summer months. Increased customer footfall at the stationary stores was countered by a slight decrease in average purchase volumes. Largely due to unfavorable weather conditions in June, consolidated sales for the second quarter (Q2) of 2024/25 (June 1 to August 31, 2024) slipped by 1.7% to € 1,640.1 million (2023/24: € 1,667.9 million). Building on the year-on-year improvement in the spring season (Q1), in the first half of the financial year (6M) the HORNBACH Group generated sales of € 3,445.8 million and thus at the same level as in the previous year (2023/24: € 3,441.3 million). Net sales at HORNBACH Baumarkt AG, the largest operating Subgroup, grew by 0.7% to € 3,251.1 million in the six-month period (2023/24: € 3,228.1 million). On a like-for-like basis and net of currency items, sales at the HORNBACH Baumarkt AG Subgroup improved by 0.7%. Given the ongoing weakness of the construction sector in Germany, sales at the HORNBACH Baustoff Union Subgroup showed a 7.3% reduction and stood at € 197.3 million (2023/24: € 212.9 million).

Benefiting from an improvement in the gross margin compared with the previous year, as well as from ongoing cost discipline, the HORNBACH Group's operating earnings excluding non-operating earnings items (adjusted EBIT) grew by 6.3% to € 119.0 million in Q2 2024/25 (2023/24: € 111.9 million). At € 265.4 million, adjusted EBIT for the first half of 2024/25 was 19.9% higher than the previous year's figure (€ 221.3 million). The adjusted EBIT margin improved over the same period to 7.7% (2023/24: 6.4%). At € 10.78, earnings per share were 37.7% higher than in the previous year (2023/24: € 7.83).

Notwithstanding this very pleasing first-half earnings performance, the full-year sales and earnings guidance is unchanged in view of weak macroeconomic developments in the EU and the ongoing challenges presented by consumer confidence. For the 2024/25 financial year, the HORNBACH Group expects its sales to slightly exceed the previous year's figure (€ 6,161 million) and its adjusted EBIT to match or slightly exceed the figure reported for the 2023/24 financial year (€ 254.2 million).

Macroeconomic and Sector-Specific Framework

The macroeconomic climate in the first half of the 2024/25 financial year (March 1 to August 31, 2024) was shaped by continued weak economic developments in several countries in which we operate, and in Germany in particular. Despite lower inflation rates compared with the previous year and wage growth, consumer confidence remained persistently low.

According to Eurostat, **gross domestic product** in the European Union (EU27) grew year-on-year by 0.7% in Q1 of the 2024 calendar year and 0.8% in Q2 2024. In Germany, gross domestic product contracted slightly by 0.1% in Q1 and stagnated in Q2 2024 (0.0%). Private consumer spending in Germany rose year-on-year by 0.1% in Q2 2024 (Q1 2024 +0.8%).

Annual **inflation** (HICP) in the euro area fell to 2.2% in August 2024 (August 2023: 5.2%). In Germany, the annual inflation rate (CPI) eased to 1.9% in August 2024 (August 2023: 6.1%), having ranged between 2.2% and 2.4% in the period from March to July.

Output in the construction industry in the EU 27 fell year-on-year by 0.7% in Q1 2024 and by 1.0% in Q2. In Germany, output contracted year-on-year by 2.4% in Q1 2024 and by 4.8% in Q2 2024. Residential building permits in Germany fell by 23.5% in the first half of 2024 compared with the previous year's period, with permits for detached houses showing a particularly marked reduction of 30.9%.

According to Eurostat, **retail sales volumes** (excluding motor vehicle retail; in real terms) grew year-on-year by 0.3% in Q1 2024 and by 0.1% in Q2 2024. As measured by the GfK, consumer confidence in the EU showed an upward trend in the first half of the calendar year, although consumers' willingness to spend nevertheless remained at a very low level.

GDP growth rates and inflation in countries in which HORNBACH operates

Source: Eurostat (calendar year figures)	GDP change (%) on previous year's quarter		Rate of inflation (%) based on HICP	
	Q1 2024	Q2 2024	August 2023	August 2024
Germany	(0.1)	0.0	6.4	2.0
Austria	(1.3)	(0.6)	7.5	2.4
Czechia	0.4	0.6	10.1	2.4
Luxembourg	(0.4)	nn	3.5	1.7
Netherlands	(0.7)	0.6	3.4	3.3
Romania	2.2	0.8	9.3	5.3
Slovakia	2.6	2.1	9.6	3.2
Sweden	0.5	0.6	4.5	1.3
Switzerland	0.7	1.7	1.9	1.0
Euro area (EA 20)	0.5	0.6	5.2	2.2
EU 27	0.7	0.8	5.9	2.4

Based on figures released by the GfK, German **DIY stores and garden centers** reported a nominal year-on-year reduction in aggregate gross sales of 0.9% to € 11.15 billion in the first half of the 2024 calendar year. On a like-for-like basis, i.e. excluding stores newly opened, closed, or subject to major conversion measures, sales in the sector fell by 0.6% in the period from January to June 2024.

According to the GfK, gross sales at DIY stores and garden centers grew by 1.4% in the Netherlands and by 0.3% in Austria in the first half of the 2024 calendar year. Czechia witnessed a 9.0% reduction in sales, while in Switzerland sales fell by 5.2%. No data is available for Luxembourg, Romania, Sweden, and Slovakia.

Sales at DIY stores and garden centers in Germany (calendar year)

Source: GfK Total Store Report Deutschland	1 st Quarter 2023	2 nd Quarter 2023	1 st Half 2023	1 st Quarter 2024	2 nd Quarter 2024	1 st Half 2024
Gross sales (€ billion)	4.56	6.69	11.25	4.76	6.39	11.15
Nominal year-on-year change (%)	(7.2)	+1.4	(2.3)	+4.4	(4.5)	(0.9)
Like-for-like year-on-year change (%)	(7.0)	+1.2	(2.3)	+4.5	(4.0)	(0.6)

Earnings, Financial, and Asset Position

Seasonal and Calendar-Related Factors

Impact of weather conditions

Weather conditions in the countries in which HORNBACH operates were notably milder in March and April 2024 than in the previous year's quarter, a factor which impacted positively on demand for plants and garden product ranges. By contrast, the months of May and June were marked on the one hand by strong rainfall and flooding in some HORNBACH regions and on the other hand by unusually warm weather, particularly in south-eastern Europe, which continued through July and August.

Number of business days

The first half of the 2024/25 financial year (March 1 to August 31, 2024) had the same number of business days on average as the equivalent period in the previous year. The arithmetic calendar-related impact at the Group came to -0.6 business days in Q1 and +0.5 business days in Q2.

Sales Performance of the HORNBACH Group

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

In the second quarter of the 2024/25 financial year (June 1 to August 31, 2024), net sales at the HORNBACH Group decreased by 1.7% to € 1,640.1 million (2023/24: € 1,667.9 million). At € 3,445.8 million, consolidated sales for the first six months were 0.1% higher than the previous year's figure (2023/24: € 3,441.3 million).

HORNBACH Baumarkt AG Subgroup

Development in HORNBACH's store network

The HORNBACH Baumarkt AG Subgroup did not open or close any new DIY stores with garden centers in the first half of 2024/25. As of August 31, 2024, the Subgroup operated 171 retail outlets (February 29, 2024: 171) with total sales areas of 2.1 million m². Of these, 98 stores are in Germany and 73 in Other European Countries.

Sales performance in 2nd quarter of 2024/25

At € 1,539.8 million in the period from June 1 to August 31, 2024, net sales at the HORNBACH Baumarkt AG Subgroup fell 1.3% short of the previous year's figure (2023/24: € 1,560.4 million). In Germany, the Subgroup generated sales of € 735.2 million (-2.6%; 2023/24: € 755.0 million). In the Other European Countries region, the net sales of € 804.6 million were at approximately the same level as in the previous year's period (-0.1%; 2023/24: € 805.4 million).

On a like-for-like basis and net of currency items [↪ [Brief Glossary](#) on Page 11], sales at the HORNBACH Baumarkt AG Subgroup decreased by 1.2% in Q2 2024/25 (2023/24: +1.0%). Including currency items for non-euro countries, namely Czechia, Romania, Sweden, and Switzerland, Subgroup-wide like-for-like sales fell 1.6% short of the previous year's figure in Q2 2024/25. In Germany, like-for-like sales declined by 2.2% in Q2 2024/25 (2023/24: +0.3%). In Other European Countries, sales were approximately (-0.3%) at the previous year's level (2023/24: +1.6%). Including currency items, sales in Other European Countries fell by 1.0% (2023/24: +2.0%).

Currency-adjusted like-for-like sales performance of HORNBACH DIY stores and garden centers (DIY)

(in percent)

Financial year	1 st Quarter	2 nd Quarter	1 st Half
HORNBACH Baumarkt AG Subgroup: 2024/25	2.5	(1.2)	0.7
HORNBACH Baumarkt AG Subgroup: 2023/24	(3.2)	1.0	(1.3)
Germany: 2024/25	2.9	(2.2)	0.4
Germany: 2023/24	(5.7)	0.3	(2.9)
Other European Countries: 2024/25	2.1	(0.3)	1.0
Other European Countries: 2023/24	(0.8)	1.6	0.3

Sales performance in 1st half of 2024/25

At € 3,251.2 million, net sales at the HORNBACH Baumarkt AG Subgroup in the period under report from March 1 to August 31, 2024 were slightly higher (+0.7%) than in the previous year (2023/24: € 3,228.1 million). On a like-for-like basis, sales net of currency items also increased, in this case by 0.7% (2023/24: -1.3%); including currency items, like-for-like sales grew by 0.3% (2023/24: -1.1%). Online sales (including click & collect) fell year-on-year by 4.5% to € 405.7 million in the half-year period (2023/24: € 425.0 million). Online sales therefore accounted for 12.5% of total sales in the first half of 2024/25 (2023/24: 13.2%) and nevertheless remained significantly higher than prior to the pandemic in the 2019/20 financial year (9.8%).

- In **Germany**, net sales rose by 0.2% to € 1,566.5 million in the first half of the financial year (2023/24: € 1,563.5 million). On a like-for-like basis, sales grew by 0.4% (2023/24: -2.9%). The market share calculated by the GfK for the period from January to July 2024 stood at 14.9% (2023/24: 14.8%).

In Kundenmonitor Deutschland, the most prestigious consumer survey in the German retail sector, HORNBACH achieved first place for "Overall satisfaction" in 2024. Customers awarded us the best marks in major individual criteria, such as "Product range selection and variety", "Merchandise and product quality", "Private label quality", "Services on offer", "Specialist advice", and most criteria relating to the website and online shop.

- In the **Other European Countries Region**, where retail activities in the eight countries outside Germany are pooled, the HORNBACH Baumarkt AG Subgroup achieved net sales growth of 1.2% to € 1,684.8 million in the first half of the financial year (2023/24: € 1,664.6 million). The international share of sales thus rose from 51.6% to 51.8%. Like-for-like sales grew by 1.0% excluding currency items (2023/24: +0.3%) and by 0.3% including currency items (2023/24: +0.7%). Based on GfK calculations, in the period from January to July 2024 HORNBACH significantly extended its market shares to 27.5% in the Netherlands (2023/24: 26.5%), 14.3% in Switzerland (2023/24: 13.9%), and 37.5% in Czechia (2023/24: 36.1%). Only in Austria did the market share of 17.3% fall slightly short of the previous year's figure (17.5%).

In the Netherlands as well, HORNBACH was singled out by the "Retailer of the Year" customer survey as the best DIY store and best online DIY shop. In both Austria and Switzerland, HORNBACH was ranked second in the Kundenmonitor survey.

HORNBACH Baustoff Union GmbH Subgroup

The HORNBACH Baustoff Union GmbH (HBU) Subgroup, which focuses on the needs of customers in the main construction and subconstruction trades, as well as on private construction clients, operated a total of 37 builders' merchant outlets in south-western Germany and at two locations in France (Grand Est) as of August 31, 2024. One operation in Kirn (Rhineland-Palatinate, Germany) was taken over from a competitor as of March 1, 2024.

Due to weak developments in the construction sector in Germany, the HBU Subgroup's sales fell by 5.4% to € 101.6 million in the second quarter of 2024/25 (2023/24: € 107.5 million). On a cumulative basis for the six-month period, sales decreased by 7.3% to € 197.3 million (2023/24: € 212.9 million).

Earnings Performance

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

2nd quarter of 2024/25

- Gross profit increased by 2.1% to € 562.8 million (2023/24: € 551.2 million). The gross margin, i.e. gross profit as a percentage of net sales [↪ [Brief Glossary](#) on Page 11], thus amounted to 34.3% (2023/24: 33.0%).
- **Selling and store expenses** fell by 3.3% to € 376.8 million (2023/24: € 389.8 million), a development mainly due to a significantly lower level of impairments than in the previous year's quarter (-29.7%). In the previous year, the company recognized impairment losses totaling € 22.7 million on right-of-use assets, real estate, and software as of August 31, 2023. Largely due to pay rises, store personnel expenses (including bonuses) rose by 4.5%. Operating expenses increased year-on-year by 2.2% in the quarter under report, while advertising expenses fell by 7.5% compared with the previous year's period. Overall, the store expense ratio [↪ [Brief Glossary](#) on Page 11] eased from 23.4% to 23.0%. Pre-opening expenses dropped from € 1.6 million to € 1.1 million while, as in the previous year, the pre-opening expense ratio [↪ [Brief Glossary](#) on Page 11] stood at 0.1%. Driven in particular by the implementation of technology projects, salary adjustments, and inflation compensation payments, **general and administration expenses** rose by 2.3% to € 74.6 million (2023/24: € 72.9 million). The administration expense ratio [↪ [Brief Glossary](#) on Page 11] thus increased from 4.4% to 4.6%.
- Earnings before interest, taxes, depreciation, and amortization (**EBITDA**) [↪ [Brief Glossary](#) on Page 12] increased by 5.1% to € 174.8 million in the second quarter of 2024/25 (2023/24: € 166.3 million).
- The HORNBAACH Group's operating earnings (**EBIT**) amounted to € 119.7 million (2023/24: € 92.1 million). Positive non-operating earnings items of € 0.7 million arose in Q2 2024/25 due to write-ups to a piece of land owned by HORNBAACH Immobilien AG (2023/24: negative non-operating earnings items of € 19.8 million). EBIT adjusted to exclude non-operating earnings items, i.e. **adjusted EBIT** [↪ [Brief Glossary](#) on Page 12], increased by 6.3% to € 119.0 million (2023/24: € 111.9 million). The adjusted EBIT margin improved to 7.3% (2023/24: 6.7%).
- **Net financial expenses** amounted to € -8.7 million (2023/24: € -11.5 million). Net interest expenses improved slightly to € -11.0 million (2023/24: € -11.6 million). Furthermore, positive currency items of € 2.3 million arose in Q2 2024/25 (2023/24: € 0.2 million).
- Consolidated earnings before taxes (**EBT**) [↪ [Brief Glossary](#) on Page 12] grew year-on-year by 37.7% to € 111.1 million (2023/24: € 80.7 million).
- Based on a tax rate of 27.3% (2023/24: 22.4%), the **consolidated net income** of € 80.8 million was 29.0% higher than the previous year's figure (2023/24: € 62.6 million). The increase in the Group's tax rate was largely due to higher trade tax additions for interest and a higher tax rate in Czechia. **Earnings per share** stood at € 4.82 in the second quarter of 2024/25 (2023/24: € 3.69).

1st half of 2024/25

- Gross profit grew by 4.8% to € 1,201.9 million in the six-month period (2023/24: € 1,147.2 million). The **gross margin** improved from 33.3% to 34.9%. This is principally due to a reduction in commodity and manufacturer prices compared with the first half of the previous year, as well as to a more profitable product mix.
- **Selling and store expenses** decreased by 1.0% to € 794.3 million in the period under report (2023/24: € 802.6 million), with this reduction being due in particular to lower impairments in Q2 2024/25 compared with the previous year. Mainly driven by pay rises, store personnel expenses (including bonuses) increased by 3.9%, while store operating expenses decreased by 0.3%. This reduction in operating expenses chiefly resulted from lower energy expenses and repayment of electricity and gas installments that had been set too high. Advertising expenses declined by 1.0%. Overall, the store expense ratio therefore eased from 23.3% to 23.1%. **Pre-opening expenses** fell from € 3.7 million in the previous year's period to € 2.0 million (pre-opening expense ratio: 0.1%). Largely due to higher personnel expenses (IT projects and salaries), **general and administration**

expenses rose by 2.6% to € 152.2 million (2023/24: € 148.4 million). The administration expense ratio thus rose from 4.3% to 4.4%.

- **EBITDA** grew by 13.6% to € 376.3 million (2023/24: € 331.3 million).
- At € 266.2 million, the HORNBACH Group's EBIT for the first six months of 2024/25 was 31.8% higher than the previous year's figure (2023/24: € 202.0 million). Write-ups to a piece of land owned by the HORNBACH Immobilien AG Subgroup produced positive non-operating earnings items of € 0.7 million in this period (2023/24: negative non-operating earnings items of € 19.3 million). EBIT adjusted to exclude non-operating earnings items, i.e. **adjusted EBIT**, rose by 19.9% to € 265.4 million (2023/24: € 221.3 million). The adjusted EBIT margin increased to 7.7% (2023/24: 6.4%).
- **Net financial expenses** improved from € -27.3 million to € -23.8 million. The net interest expenses included in this figure stood at € -22.8 million (2023/24: € -23.7 million). Currency items resulted in a charge of € 1.1 million in the half-year period (2023/24: € -3.6 million).
- **Consolidated earnings before taxes** grew by 38.7% to € 242.3 million (2023/24: € 174.7 million). The tax rate increased from 23.5% to 25.4%. **Consolidated net income** including minority interests rose by 35.3% to € 180.8 million (2023/24: € 133.6 million). **Earnings per share** amounted to € 10.78 in the first half of 2024/25 (2023/24: € 7.83).

Earnings performance in the 1st half of 2024/25 by segment

At the **HORNBACH Baumarkt AG Subgroup**, operating earnings (EBIT) rose to € 242.2 million in the first half of 2024/25 (2023/24: € 171.8 million). No non-operating earnings arose in this period (2023/24: impairments of € 23.3 million on right-of-use assets). **Adjusted EBIT** thus corresponds to EBIT and was 24.1% higher than the previous year's figure (€ 195.1 million). The adjusted EBIT margin increased year-on-year from 6.0% to 7.5%.

EBIT at the **HORNBACH Baustoff Union GmbH Subgroup** decreased to € 5.5 million in the first half of 2024/25 (2023/24: € 6.6 million). This was due to the reduction in sales on account of developments in the construction sector. Earnings were boosted, by contrast, by an improved gross margin and ongoing cost discipline. As in the previous year, no non-operating earnings items arose in the first half of the year. The Subgroup's adjusted EBIT therefore corresponds to its EBIT.

At the **HORNBACH Immobilien AG Subgroup**, EBIT stood at € 32.9 million in the first half of 2024/25 (2023/24: € 32.8 million). Positive non-operating earnings items of € 0.7 million arose in the period under report (2023/24: no non-operating earnings items). Adjusted EBIT therefore amounted to € 32.2 million and was 1.7% lower than the previous year's figure (€ 32.8 million).

Financial and Asset Position

Financial position

The **cash flow from operating activities** rose from € 122.6 million in the first half of the previous year to € 193.8 million in the first half of 2024/25. The change in working capital led to an outflow of € 103.5 million (2023/24: outflow of € 139.2 million), which mainly resulted from liabilities to suppliers being reduced. The reduction in inventories led to an opposing effect. Based on higher consolidated net income, the inflow of cash from operating activities (funds from operations) increased to € 297.3 million (2023/24: € 261.7 million).

The **outflow of funds for investing activities** amounted to € 42.1 million (2023/24: € 117.7 million). Among other items, this figure includes **cash-effective capital expenditure** of € 51.4 million (2023/24: € 91.7 million) on land and buildings, plant and office equipment at new and existing stores, and intangible assets (mainly software), as well as investment grants of € 6.6 million (2023/24: none). An amount of € 16.8 million was invested in land and buildings (2023/24: € 49.9 million), while € 27.8 million was channeled into plant and office equipment at new and existing stores (2023/24: € 37.4 million), and € 6.8 million into intan-

gible assets, mainly software (2023/24: € 4.4 million). The reduction in capital expenditure for land and buildings mainly resulted from delays with contracts and building permits. Furthermore, in the previous year's period an amount of € 30 million was invested in short-term fixed deposits.

The **outflow of funds for financing activities** amounted to € 116.4 million in the first half (2023/24: outflow of € 91.4 million). This figure particularly comprises dividend payments of € 39.9 million (2023/24: € 40.6 million), inflows of € 8.0 million from the taking up of financial loans (2023/24: € 38.3 million), outflows of € 14.8 million for repayments of financial loans (2023/24: € 28.1 million), outflows of € 55.4 million for the repayment of current and non-current lease liabilities (2023/24: € 54.3 million), and outgoing payments of € 14.2 million for interests in subsidiaries (2023/24: € 6.8 million). After the dividend, the free cash flow (excluding fixed-term deposits) [[Brief Glossary](#) on Page 12] amounted to € 111.7 million (2023/24: € -5.8 million). Information about the financing and investing activities of the HORNBACH Group can be found in the cash flow statement on Page 17.

Asset position

Total assets showed a slight decrease of 0.4% compared with the balance sheet date on February 29, 2024 to € 4,459.0 million as of August 31, 2024. This was principally due to repayments of liabilities (€ -218.0 million) and the reduction in inventories (€ -75.0 million). Shareholders' equity as posted in the balance sheet rose to € 2,072.0 million, up 6.4% on the previous balance sheet date. The **equity ratio** [[Brief Glossary](#) on Page 12] therefore rose to 46.5% as of August 31, 2024 (February 29, 2024: 43.5%), marking a further improvement on what was already a high level. **Net financial debt** [[Brief Glossary](#) on Page 12] including current and non-current lease liabilities pursuant to IFRS 16 fell to € 1,147.2 million, down from € 1,202.5 million at the previous balance sheet date. The debt ratio [[Brief Glossary](#) on Page 12] thus improved to 2.2 (February 29, 2024: 2.5). Excluding current and non-current lease liabilities pursuant to IFRS 16, the Group reported net financial debt of € 277.4 million as of August 31, 2024 (February 29, 2024: € 315.4 million).

In July 2024, S&P Global Ratings confirmed the long-term issuer rating and the rating of senior unsecured debt at HORNBACH Baumarkt AG at "BB+". The outlook was amended from "negative" to "stable".

Other Disclosures

Employees

A total of 25,311 employees were in fixed employment at the HORNBACH Holding AG & Co. KGaA Group as of the reporting date on August 31, 2024 (February 29, 2024: 24,783).

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.

Risk and Opportunity Report

We reported in detail on the risks and opportunities involved in the future business activities of the HORNBACH Holding AG & Co. KGaA Group in the Risk Report and the Opportunity Report in the 2023/24 Group Management Report (Page 100 onwards of the 2023/24 Annual Report). This basic assessment of the risk situation and of the Group's medium and long-term opportunities had not changed materially upon the publication of this Half-Year Financial Report.

Outlook

Macroeconomic and Sector-Specific Framework

The forecast for the macroeconomic and sector-specific framework is presented in the 2023/24 Group Management Report of the HORNBACH Holding AG & Co. KGaA Group (see Pages 111 and 112 of the 2023/24 Annual Report). Developments in the year to date have confirmed that any economic recovery in Germany will prove to be short-lived and that the country's gross domestic product is expected to stagnate or to contract slightly in 2024 (ifo Institute/DIW Berlin: 0.0%; IfW Kiel: -0.1%). Similar developments are apparent in Austria. For the European Union as a whole (EU 27), however, the EU Commission expects to see slight growth (+1.0%).

Developments in interest rates continue to offer positive signals. Inflation rates in Germany and the EU are also expected to show further reductions by the end of the year. The European Central Bank cut the base rate in the euro area by 25 basis points respectively in June and September 2024.

Forecast Business Performance of the HORNBACH Group in 2024/25

Expansion

One store opening in Germany is scheduled to take place in the second half of the financial year. Closed in November 2023, the DIY store and garden center in Nuremberg is currently being newly built at the same location and is expected to open in February 2025. The HORNBACH Baumarkt AG Subgroup is thus expected to operate 172 locations at the end of the financial year on February 28, 2025 (February 29, 2024: 171), of which 73 locations in Other European Countries.

Sales and earnings guidance

The full-year sales and earnings guidance for 2024/25 dated May 22, 2024 remains unchanged.

For the 2024/25 financial year, the Group continues to expect its net sales to slightly* exceed the previous year's figure (€ 6,161 million), its adjusted EBIT to match or slightly* exceed the figure reported for the 2023/24 financial year (€ 254.2 million), and its gross margin to stabilize at its current higher level.

* Nomenclature of guidance: for sales, "at previous year's level" = -1% to +1% | "slight" = +/- 2% to +/- 5% | "significant" = changes of more than 6%. For adjusted EBIT, "at previous year's level" = -5% to +5% | "slight" = +/- 5% to +/- 12% | "significant" = > +/- 12%.

Brief Glossary of Key Performance Figures

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

Sales	<p>Sales are the central management figure for the operating business and the key indicator of our success. The sales performance is reported in euros as net sales (excluding sales tax). Sales generated in countries outside the euro area in the period under report are translated using the relevant average exchange rate. Sales are a major key figure referred to when calculating the one-year variable remuneration for members of the Board of Management.</p>
Adjusted EBIT	<p>Adjusted EBIT (adjusted earnings before interest and taxes) is the Group's most important earnings figure. This corresponds to earnings before interest and taxes (EBIT) adjusted to exclude non-operating earnings items. The elimination of non-operating earnings items involves adding non-operating expenses (e.g. impairment losses on right-of-use assets, properties, or advertising-related assets) and deducting non-operating income (e.g. income from disposals of properties, income from write-ups of assets impaired in previous years). Adjusted EBIT is therefore particularly useful for management purposes and for comparing the operating earnings performance over time or in forecasts.</p>
Like-for-like sales net of currency items (change in %)	<p>The rate of change in like-for-like sales net of currency items serves to indicate the organic growth in our retail activities (stationary stores and online shops). The calculation of like-for-like sales is based on all DIY stores with garden centers that have been in operation for at least twelve months and on sales in the online business. By contrast, no account is taken of stores newly opened, closed, or subject to substantial conversion work in the past twelve months. Like-for-like sales are calculated without sales tax (net) and based on the local currency for the reporting period under comparison (currency-adjusted). In addition, we also calculate like-for-like sales on a euro basis and including currency items in the non-euro countries within our European store network.</p>
Gross margin	<p>The development in the gross margin offers information about our gross trading performance. This margin is defined as gross profit (net balance of sales and cost of goods sold) as a percentage of net sales. The gross margin is chiefly influenced by developments in procurement and retail prices, changes in the product mix, and currency items resulting from international procurement.</p>
Cost ratios	<p>The store expense ratio corresponds to selling and store expenses divided by net sales. Selling and store expenses involve those costs incurred in connection with operating stationary DIY stores with garden centers and online shops. These mainly involve personnel expenses, costs of premises and advertising expenses, as well as depreciation and amortization. Moreover, this item also includes general operating expenses, such as transport costs and expenses for maintenance and upkeep.</p> <p>The pre-opening expense ratio is obtained by dividing pre-opening expenses by net sales. Pre-opening expenses relate to those expenses arising at or close to the time of the construction up to the opening of new stationary DIY stores with garden centers. Pre-opening expenses mainly consist of personnel expenses, costs of premises, and administration expenses.</p> <p>The administration expense ratio corresponds to the quotient of administration expenses and net sales. General and administration expenses include all costs incurred by administration departments in connection with the operation or construction of stationary DIY stores with garden centers and with the development and operation of online retail (e-business) 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, these expenses also include project-related expenses, and in particular expenses for digitalization and interconnected retail.</p>

EBITDA	EBITDA stands for earnings before interest, taxes, depreciation, amortization and write-ups. EBITDA is calculated on the basis of EBIT and by adding depreciation and amortization recognized through profit and loss on property, plant and equipment, right-of-use assets, and intangible assets and subtracting any write-ups recognized through profit on loss on these items. This neutralizes any distortive effects resulting from different methods of depreciation and amortization and from discretionary valuation scope.
EBIT	EBIT , which stands for earnings before interest and taxes, is calculated on the basis of gross profit in euros and by subtracting expenses (store, pre-opening, and administration expenses) and adding other income/expenses. Due to its independence from different forms of financing and tax systems, EBIT is referred to when comparing earnings with those at other companies.
EBT	EBT refer to earnings before taxes in the period under report. This key figure is independent of different management systems but also includes interest items. EBT is a major key figure referred to when calculating the one-year variable remuneration for members of the Board of Management.
Equity ratio	The equity ratio presents shareholders' equity as a percentage of total capital (total assets). To safeguard its financial stability and independence, HORNBACH basically aims to maintain an equity ratio that is permanently stable and high by sector standards. HORNBACH has entered into covenants towards certain debt providers that require the company to maintain an equity ratio of at least 25%.
Net financial debt and debt ratio	Net financial debt is calculated as total current and non-current financial debt (including lease liabilities) less cash and cash equivalents and – where applicable – less current financial assets (financial investments). The debt ratio is determined by stating net financial debt as a proportion of EBITDA.
Capital expenditure and free cash flow (FCF)	In managing its financial and asset position, the HORNBACH Holding AG & Co. KGaA Group pursues the objective of safeguarding the Group's liquidity at all times and covering the financing requirements for the Group's sustainable growth at the least possible expense. Other key management figures relevant in this respect include cash-effective capital expenditure on land, buildings, plant and office equipment for new and existing DIY stores with garden centers, and intangible assets. Here, we aim to finance capital expenditure wherever possible from the cash flow from operations to enable a free cash flow (FCF) to be generated. The FCF is calculated as the cash flow from operations plus proceeds from disposals of non-current assets and less capital expenditure and dividends paid.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Income Statement

€ million	Q2 2024/25	Q2 2023/24	Change in %	6M 2024/25	6M 2023/24	Change in %
Sales	1,640.1	1,667.9	(1.7)	3,445.8	3,441.3	0.1
Cost of goods sold	1,077.2	1,116.7	(3.5)	2,243.9	2,294.1	(2.2)
Gross profit	562.8	551.2	2.1	1,201.9	1,147.2	4.8
Selling and store expenses	376.8	389.8	(3.3)	794.3	802.6	(1.0)
Pre-opening expenses	1.1	1.6	(32.8)	2.0	3.7	(45.2)
General and administration expenses	74.6	72.9	2.3	152.2	148.4	2.6
Other income and expenses	9.4	5.3	77.1	12.8	9.5	35.7
Earnings before interest and taxes (EBIT)	119.7	92.1	30.0	266.2	202.0	31.8
Interest and similar income	2.9	2.4	19.9	4.8	3.6	33.9
Interest and similar expenses	13.8	14.0	(1.2)	27.6	27.3	1.1
Other financial result	2.3	0.2	>100	(1.1)	(3.6)	(70.5)
Net financial expenses	(8.7)	(11.5)	(24.4)	(23.8)	(27.3)	(12.6)
Consolidated earnings before taxes	111.1	80.7	37.7	242.3	174.7	38.7
Taxes on income	30.3	18.1	67.7	61.6	41.1	49.7
Consolidated net income	80.8	62.6	29.0	180.8	133.6	35.3
of which: income attributable to shareholders	77.0	58.9	30.7	172.2	125.2	37.5
of which: non-controlling interests	3.8	3.7	3.3	8.6	8.4	2.5
Basic/diluted earnings per share (€)	4.82	3.69	30.6	10.78	7.83	37.7

Statement of Comprehensive Income

€ million	Q2 2024/25	Q2 2023/24	6M 2024/25	6M 2023/24
Consolidated net income	80.8	62.6	180.8	133.6
Actuarial gains and losses on defined benefit plans	(5.5)	(2.7)	(4.0)	(3.7)
Deferred taxes on actuarial gains and losses on defined benefit plans	0.8	0.4	0.6	0.6
Other comprehensive income that will not be recycled at a later date	(4.7)	(2.3)	(3.4)	(3.2)
Exchange differences arising on the translation of foreign subsidiaries	4.8	(0.3)	4.5	(2.4)
Other comprehensive income that will possibly be recycled at a later date	4.8	(0.3)	4.5	(2.4)
Total comprehensive income	80.8	60.1	181.9	128.0
of which: attributable to shareholders	77.0	56.5	173.3	119.7
of which: attributable to non-controlling interest	3.8	3.6	8.6	8.3

Balance Sheet

Assets	August 31, 2024		February 29, 2024	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	59.2	1.3	55.9	1.2
Property, plant, and equipment	1,825.8	40.9	1,829.9	40.9
Investment property	23.3	0.5	26.3	0.6
Right-of-use assets	740.7	16.6	757.4	16.9
Financial assets	0.2	0.0	0.2	0.0
Other non-current receivables and assets	9.2	0.2	8.0	0.2
Deferred tax assets	41.0	0.9	40.7	0.9
	2,699.3	60.5	2,718.5	60.7
Current assets				
Inventories	1,120.7	25.1	1,195.7	26.7
Trade receivables	57.5	1.3	47.6	1.1
Contract assets	1.9	0.0	1.6	0.0
Other current assets	129.3	2.9	115.7	2.6
Income tax receivables	40.3	0.9	27.5	0.6
Cash and cash equivalents	408.1	9.2	370.3	8.3
Non-current assets held for sale and disposal groups	2.0	0.0	0.3	0.0
	1,759.7	39.5	1,758.6	39.3
	4,459.0	100.0	4,477.1	100.0

Equity and liabilities	August 31, 2024		February 29, 2024	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	48.0	1.1	48.0	1.1
Capital reserve	130.5	2.9	130.5	2.9
Revenue reserves	1,801.2	40.4	1,669.5	37.3
Equity of shareholders of HORNBACH HOLDING AG & Co. KGaA	1,979.7	44.4	1,848.0	41.3
Non-controlling interests	92.4	2.1	100.1	2.2
	2,072.0	46.5	1,948.1	43.5
Non-current liabilities				
Non-current financial debt	593.8	13.3	595.2	13.3
Non-current lease liabilities	766.9	17.2	786.7	17.6
Pensions and similar obligations	11.6	0.3	5.3	0.1
Deferred tax liabilities	25.4	0.6	26.0	0.6
Other non-current liabilities	49.5	1.1	55.3	1.2
	1,447.2	32.5	1,468.4	32.8
Current liabilities				
Current financial debt	91.7	2.1	90.4	2.0
Current lease liabilities	102.8	2.3	100.5	2.2
Trade payables	330.7	7.4	399.6	8.9
Liabilities for reverse factoring program	0.0	0.0	149.1	3.3
Contract liabilities	49.3	1.1	45.1	1.0
Other current liabilities	148.2	3.3	115.0	2.6
Income tax liabilities	63.5	1.4	29.4	0.7
Other provisions and accrued liabilities	153.5	3.4	131.4	2.9
	939.8	21.1	1,060.6	23.7
	4,459.0	100.0	4,477.1	100.0

Statement of Changes in Equity

6M 2023/24 € million	Share capital	Capital reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share- holders	Non- controlling interests	Total Group equity
Balance at March 1, 2023	48.0	130.5	53.6	1,543.3	1,775.4	121.7	1,897.1
Consolidated net income				125.2	125.2	8.4	133.6
Actuarial gains and losses on defined benefit plans, net after taxes				(2.9)	(2.9)	(0.2)	(3.2)
Exchange differences arising on the translation of foreign subsidiaries			(2.5)		(2.5)	0.2	(2.4)
Total comprehensive income	0.0	0.0	(2.5)	122.3	119.7	8.3	128.0
Dividend distribution				(38.4)	(38.4)	(2.2)	(40.6)
Treasury stock transactions	(0.2)			(3.8)	(3.9)	0.0	(3.9)
Acquisition of shares of a subsidiary without change of control			0.3	0.3	0.6	(7.3)	(6.7)
Balance at August 31, 2023	47.8	130.5	51.3	1,623.7	1,853.4	120.4	1,973.8

6M 2024/25 € million	Share capital	Capital reserve	Cumulative currency translation	Other revenue reserves	Equity attributable to share- holders	Non- controlling interests	Total Group equity
Balance at March 1, 2024	48.0	130.5	44.3	1,625.3	1,848.0	100.1	1,948.1
Consolidated net income				172.2	172.2	8.6	180.8
Actuarial gains and losses on defined benefit plans, net after taxes				(3.2)	(3.2)	(0.2)	(3.4)
Exchange differences arising on the translation of foreign subsidiaries			4.3		4.3	0.2	4.5
Total comprehensive income	0.0	0.0	4.3	169.0	173.3	8.6	181.9
Dividend distribution				(38.4)	(38.4)	(1.5)	(39.9)
Treasury stock transactions				(3.9)	(3.9)		(3.9)
Acquisition of shares of a subsidiary without change of control			0.6	0.1	0.6	(14.8)	(14.2)
Balance at August 31, 2024	48.0	130.5	49.1	1,752.1	1,979.7	92.4	2,072.0

Cash Flow Statement

€ million	6M 2024/25	6M 2023/24
Consolidated net income	180.8	133.6
Depreciation and amortization of property, plant, and equipment and intangible assets	56.4	58.6
Depreciation of right-of-use assets	54.5	73.7
Change in provisions	(1.9)	2.8
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.9)	(1.0)
Change in inventories, trade receivables, and other assets	29.4	163.1
Change in trade payables and other liabilities	(132.9)	(302.3)
Other non-cash income/expenses	8.5	(5.9)
Cash flow from operating activities	193.8	122.6
Proceeds from disposal of non-current assets and of non-current assets held for sale	2.5	4.0
Payments for investments in property, plant, and equipment	(44.6)	(87.3)
Payments for investments in intangible assets	(6.8)	(4.4)
Government grants received	6.6	0.0
Payments for securities and cash investments	0.0	(30.0)
Proceeds in connection with acquisitions of shareholdings and other business units	0.1	0.0
Cash flow from investing activities	(42.1)	(117.7)
Dividends paid	(39.9)	(40.6)
Proceeds from taking up long-term debt	8.0	38.3
Repayment of long-term debt	(14.8)	(28.1)
Repayment of current and non-current lease liabilities	(55.4)	(54.3)
Change in level of shareholding in subsidiary with no change in control	(14.2)	(6.8)
Cash flow from financing activities	(116.4)	(91.4)
Cash-effective change in cash and cash equivalents	35.3	(86.6)
Change in cash and cash equivalents due to changes in exchange rates	0.4	(0.9)
Cash and cash equivalents at March 1	365.3	427.1
Cash and cash equivalents at August 31	400.9	339.6

The other non-cash income/expenses item mainly relates to interest deferrals, the period-based updating of financing expenses deferred using the effective interest method, unrecognized exchange rate gains/losses, and deferred taxes.

As well as cash on hand, credit balances at banks, and other short-term deposits amounting in total to € 408.1 million (2023/24: € 349.2 million), cash and cash equivalents also include overdraft liabilities of € 7.2 million (2023/24: € 9.6 million).

The cash flow from operating activities was reduced by income tax payments of € 40.6 million (2023/24: € 50.0 million) and interest payments of € 23.8 million (2023/24: € 21.8 million) and increased by interest received of € 4.8 million (2023/24: € 3.3 million). Of interest payments, an amount of € 15.9 million (2023/24: € 15.4 million) involves interest paid in connection with leases. Furthermore, the cash flow from operating activities also includes the effects of the reverse factoring program. Repayment of the liabilities relating to the reverse factoring program, which amounted to € 149.1 million as of February 29, 2024 (2023/24: € 250.0 million), had an equivalent impact on the cash flow from operating activities.

GROUP NOTES

Notes to the Interim Consolidated Financial Statements as of August 31, 2024

(1) Accounting principles

This Group interim report of HORNBACH Holding AG & Co. KGaA and its subsidiaries for the first half of the financial year as of August 31, 2024 has been prepared in accordance with § 315e (1) of the German Commercial Code (HGB) based on International Financial Reporting Standards (IFRS) in the form requiring mandatory application in the European Union. The abridged interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting".

Pursuant to IAS 34 "Interim Financial Reporting", income tax expenses for the first half have been calculated using the average annual tax rate expected for the financial year as a whole.

This interim report is to be read in conjunction with the consolidated financial statements of HORNBACH Holding AG & Co. KGaA for the 2023/24 financial year. Reference is made to these financial statements on account of the additional information they contain as to the specific accounting policies applied. The notes included therein also apply to this interim report, unless any amendments are expressly indicated. Moreover, this interim report is also consistent with German Accounting Standard No. 16 (DRS 16) – Half-Year Financial Reporting – of the German Accounting Standards Committee (DRSC).

Figures have been rounded up or down to the nearest million euros. This may result in discrepancies between figures in the various numeric presentations. Percentages have been calculated on the basis of € 000s.

Changes in accounting principles

The new standards, amendments to standards, and interpretations requiring first-time application in the 2024/25 financial year were described in the 2023/24 consolidated financial statements. These changes did not have any material implications for the interim consolidated financial statements.

The amendments to IAS 7 and IFRS 7 in respect of "Supplier Finance Arrangements", which were endorsed by the European Union on May 15, 2024, have no implications for the Group Interim Report as of August 31, 2024. The amendments will result in extended disclosure obligations if any such arrangements are in place at the end of the financial year.

(2) Scope of consolidation

In addition to HORNBACH Holding AG & Co. KGaA, 65 subsidiaries were included in the consolidated financial statements by way of full consolidation as of August 31, 2024 (August 31, 2023: 61 subsidiaries). There were no changes in the scope of consolidation in the period under report.

HORNBACH Baumarkt AG Subgroup

The purchase price allocation for the acquisition in the 4th quarter of 2023/24 of Seniovo GmbH together with its subsidiary Seniovo Bau GmbH was not yet completed in the first half of 2024/25. In this respect, the figures reported in the 2023/24 consolidated financial statements are still provisional.

HORNBACH Baustoff Union GmbH Subgroup

To expand its network of outlets, in the 2024/25 financial year Union Bauzentrum HORNBACH GmbH took over a location in Kirn as of March 1, 2024. The acquisition did not involve a legal entity but related exclusively to business operations, including assets. In

this respect, the transaction constitutes a business combination, with control gained by acquisition of the assets. From this time, the assets acquired are included in the consolidated financial statements of HORNBACH Holding AG & Co. KGaA.

The intangible assets mainly include acquired customer bases. The property, plant and equipment included in consolidation chiefly comprise the location property and plant and office equipment. The negative goodwill was recognized through profit or loss.

The fair values of the acquired assets were calculated on the basis of the respective contracts. The valuation of the location property was performed by independent third parties. The purchase price allocation (PPA) was completed in the first half of 2024/25.

No material acquisition-related costs were incurred for the transaction. The purchase price was settled with liquid funds.

The acquisition resulted in the takeover of the following assets and liabilities:

Fair values (€ 000s)	Additions 2024/25
Intangible assets	610
Property, plant and equipment	3,459
Inventories	1,710
Other assets	5
Net assets	5,785
Consideration transferred	5,590
Goodwill	(195)

Since its inclusion on March 1, 2024, the location contributed an amount of € 3,309k to sales and an amount of € -14k to earnings before taxes in the first half of 2024/25.

(3) Seasonal influences

Due to weather conditions, the HORNBACH Holding AG & Co. KGaA Group generally reports a weaker business performance in the fall and winter than in the spring and summer months. These seasonal fluctuations are reflected in the figures for the first half. The business performance in the first six months as of August 31, 2024 does not necessarily provide an indication for the year as a whole.

(4) Other income and expenses

Other income and expenses are structured as follows:

€ million	Q2 2024/25	Q2 2023/24	Change in %
Other income	13.2	9.3	42.3
Other expenses	3.8	4.0	(3.9)
Other income and expenses	9.4	5.3	77.1

€ million	6M 2024/25	6M 2023/24	Change in %
Other income	19.9	15.8	26.5
Other expenses	7.1	6.3	12.9
Other income and expenses	12.8	9.5	35.7

Other income for the first half of 2024/25 mainly results from operating income and chiefly relates to ancillary revenues at DIY stores with garden centers, income from damages payments and disposal services, and income from disposals of non-current assets. It also includes non-operating income of € 0.7 million from the write-up of a piece of land held for sale. In the previous year, it included income of € 0.4 million from the sale of a piece of land.

Other expenses mainly relate to operating expenses. These predominantly involve impairments of receivables, losses incurred for damages, and losses incurred upon the disposal of assets.

(5) Earnings per share

Basic earnings per share are calculated pursuant to IAS 33 "Earnings per Share" as the quotient of the income allocable to the shareholders of HORNBACK Holding AG & Co. KGaA for the period under report and the weighted average number of shares issued. As in the previous year, no dilutive effects had to be accounted for when calculating earnings per share.

	Q2 2024/25	Q2 2023/24
Number of ordinary shares issued	15,962,200	15,971,121
Consolidated net income attributable to shareholders in HORNBACK Holding AG & Co. KGaA in € million	77.0	58.9
Earnings per share in €	4.82	3.69

	6M 2024/25	6M 2023/24
Number of ordinary shares issued	15,976,581	15,982,123
Consolidated net income attributable to shareholders in HORNBACK Holding AG & Co. KGaA in € million	172.2	125.2
Earnings per share in €	10.78	7.83

(6) Other disclosures

The personnel expenses of the HORNBACK Holding AG & Co. KGaA Group amounted to € 549.1 million in the first half of the 2024/25 financial year (2023/24: € 526.3 million).

Depreciation and amortization totaling € 56.4 million was recognized on intangible assets and property, plant and equipment at the HORNBACK Holding AG & Co. KGaA Group in the first six months of the 2024/25 financial year (2023/24: € 54.9 million). An amount of € 54.5 million involved depreciation of right-of-use assets in connection with leases (2023/24: € 54.6 million).

Functionally allocated non-operating earnings items of € 19.8 million arose in the first half of the 2023/24 financial year. These involved write-ups and write-downs of right-of-use assets in connection with leases, buildings, and intangible assets.

(7) Shareholders' equity

On July 1, 2024, the Board of Management of HORNBACK Baumarkt AG resolved pursuant to § 71 (1) No. 2 of the German Stock Corporation Act (AktG) to acquire up to 50,000 treasury stock shares. These shares are to be acquired for the annual issue of employee shares scheduled to take place at the end of 2024. The buyback of shares began on July 11, 2024 and is limited to February 28, 2025. As of August 31, 2024, HORNBACK Baumarkt AG had acquired 50,000 treasury stock shares. In the statement of changes in equity, the acquisition costs for these shares (€ 3.9 million) have been recognized under "Treasury stock transactions".

The buyback of shares on the basis of this management board resolution is being executed in accordance with the safe harbor regulations set out in Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and Council dated April 14, 2014 and with the delegated Regulation (EU) 2016/1052 of the Commission dated March 8, 2016.

(8) Dividend

As proposed by the Board of Management of the General Partner HORNBACH Management AG and the Supervisory Board of HORNBACH Holding AG & Co. KGaA, following approval by the Annual General Meeting on July 4, 2024 a dividend of € 2.40 per share was distributed to shareholders for the 2023/24 financial year.

(9) Contingent liabilities, guarantees, and other financial obligations

These mainly involve financial obligations in connection with capital expenditure projects, as well as rental, hiring, leasehold, and lease contracts in which the leased items had not yet been handed over for use as of the balance sheet date or which are outside the scope of IFRS 16. These items amounted to € 208.9 million at the end of the period under report (February 29, 2024: € 191.7 million).

The company had contingent liabilities of € 117.2 million as of the balance sheet date (February 29, 2024: € 143.7 million). These mainly relate to conditionally deferred rental relationships. The timing of any potential outflow of funds for contingent liabilities is uncertain, as they depend on various external factors that are outside HORNBACH's control.

(10) Related party disclosures

In addition to the subsidiaries included in the consolidated financial statements, HORNBACH Holding AG & Co. KGaA also has direct or indirect relationships with associated companies when performing its customary business activities. Apart from the transactions reported in the consolidated financial statements, no major transactions were undertaken with closely related companies and persons during the first half of the 2024/25 financial year.

(11) Fair value disclosures

The methods and principles applied to determine fair value are basically unchanged compared with the consolidated financial statements as of February 29, 2024. The following table presents the carrying amounts and fair values of individual financial assets and liabilities pursuant to IFRS 9 as of August 31, 2024:

€ million	Category	Carrying amount 8.31.2024	Fair value 8.31.2024	Carrying amount 2.29.2024	Fair value 2.29.2024
Assets					
Financial assets	FVtOCI	0.2	0.2	0.2	0.2
Trade receivables	AC	57.5	57.5	47.6	47.6
Contract assets	AC	1.9	1.9	1.6	1.6
Other current and non-current assets					
Derivatives without hedge relationship	FVtPL	0.9	0.9	0.5	0.5
Other assets	AC	101.1	101.1	90.5	90.5
Cash and cash equivalents	AC	408.1	408.1	370.3	370.3
Equity and liabilities					
Financial debt					
Bonds	AC	248.9	247.5	248.7	244.7
Liabilities to banks	AC	436.0	407.1	436.7	404.9
Lease liabilities	n/a	869.7	n/a	887.2	n/a
Derivatives without hedge relationship	FVtPL	0.6	0.6	0.3	0.3
Trade payables	AC	330.7	330.7	399.6	399.6
Liabilities for reverse factoring program	AC	0.0	0.0	149.1	149.1
Other current and non-current liabilities	AC	18.6	18.6	44.6	44.6
Accrued liabilities	AC	44.3	44.3	31.3	31.3

Other current and non-current assets of € 36.5 million (February 29, 2024: € 32.8 million), other current and non-current liabilities of € 179.1 million (February 29, 2024: € 141.5 million), and accrued liabilities of € 106.6 million (February 29, 2024: € 98.1 million) are outside the scope of IFRS 7.

The following financial instruments measured by reference to input data in the fair value hierarchy have been recognized at fair value in the balance sheet or in the note disclosures:

€ million	Category	8.31.2024	29.2.2024
Assets			
Valuation based on Level 2 input data			
Derivatives without hedge relationship	FVtPL	0.9	0.5
Equity and liabilities			
Valuation based on Level 1 input data			
Bonds	AC	247.5	244.7
Valuation based on Level 2 input data			
Liabilities to banks	AC	407.1	404.9
Derivatives without hedge relationship	FVtPL	0.6	0.3

Derivative financial instruments without hedge relationships involve foreign currency items for outstanding orders.

(12) Segment report

€ million	HORNBACH Baumarkt AG Subgroup		HORNBACH Baustoff Union GmbH Subgroup		HORNBACH Immobilien AG Subgroup		Central Functions		Consolidation adjustments		HORNBACH Holding AG & Co. KGaA Group	
	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24
Segment sales	3,251.2	3,228.1	197.3	212.9	44.6	44.3	0.0	0.0	(47.3)	(44.0)	3,445.8	3,441.3
Sales to third parties	3,250.4	3,227.3	193.5	212.2	0.0	0.0	0.0	0.0	0.0	0.0	3,443.9	3,439.5
Sales to affiliated companies	0.0	0.0	3.7	0.6	0.0	0.0	0.0	0.0	(3.7)	(0.6)	0.0	0.0
Rental income from third parties	0.8	0.7	0.1	0.1	1.0	1.0	0.0	0.0	0.0	0.0	1.9	1.8
Rental income from affiliated companies	0.0	0.0	0.0	0.0	43.6	43.3	0.0	0.0	(43.6)	(43.3)	0.0	0.0
EBIT	242.2	171.8	5.5	6.6	32.9	32.8	(2.1)	(3.1)	(12.3)	(6.1)	266.2	202.0
of which: write-ups and depreciation/ amortization	127.5	151.1	5.2	5.0	7.3	8.7	0.0	0.0	(29.8)	(35.5)	110.1	129.4
Segment earnings (adjusted EBIT)	242.2	195.1	5.5	6.6	32.2	32.8	(2.1)	(3.1)	(12.3)	(10.1)	265.4	221.3
Segment assets	4,165.3	4,182.7	237.6	239.5	456.4	459.9	2.9	2.2	(484.4)	(483.8)	4,377.7	4,400.6
of which: credit balances at banks	349.5	291.2	1.5	0.7	11.2	26.0	0.9	0.0	0.0	0.0	363.1	318.0

Reconciliation in € million	6M 2024/25	6M 2023/24
Segment earnings (adjusted EBIT)	265.4	221.3
Non-operating items	0.7	(19.3)
Net financial expenses	(23.8)	(27.3)
Consolidated earnings before taxes	242.3	174.7

The table below presents a breakdown of external sales by region and activity:

External sales by region	HORNBACH Baumarkt AG Subgroup		HORNBACH Baustoff Union GmbH Subgroup		HORNBACH Immobilien AG Subgroup		HORNBACH HOLDING AG & Co. KGaA Group	
	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24	6M 2024/25	6M 2023/24
Germany	1,566.9	1,563.7	189.3	206.8	0.9	0.9	1,757.1	1,771.4
Other European Countries	1,684.3	1,664.3	4.3	5.5	0.1	0.1	1,688.7	1,669.8
Revenue from contracts with customers	3,251.2	3,228.1	193.6	212.3	1.0	1.0	3,445.8	3,441.3

Neustadt an der Weinstrasse, September 23, 2024

HORNBACH Holding AG & Co. KGaA
represented by HORNBACH Management AG

Albrecht Hornbach

Karin Dohm

Erich Harsch

RESPONSIBILITY STATEMENT (BALANCE SHEET OATH)

We hereby affirm that, to the best of our knowledge and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the financial year.

Neustadt an der Weinstrasse, September 23, 2024

HORNBACH Holding AG & Co. KGaA
represented by HORNBACH Management AG

Albrecht Hornbach

Karin Dohm

Erich Harsch

REVIEW REPORT

To HORNBAACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany

We have reviewed the condensed interim consolidated financial statements, which comprise the statement of profit and loss and the statement of comprehensive income for the period from 1 March to 31 August 2024, the balance sheet as at 31 August 2024, the statement of changes in consolidated equity, the statement of cash flows as well as selected explanatory notes, and the interim group management report of HORNBAACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany, for the period from 1 March to 31 August 2024, that are part of the half-year financial information under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW) and in supplementary compliance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and to analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of HORNBAACH Holding AG & Co. KGaA, Neustadt an der Weinstraße/Germany, have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting, as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Additional note

Without qualifying our conclusion, we draw attention to the fact that the quarterly disclosures presented separately in the condensed interim consolidated financial statements and in the interim group management report and the explanations referring thereto were not subject to our review.

Mannheim/Germany, 23 September 2024

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed:
Marco Koch
Wirtschaftsprüfer
(German Public Auditor)

Signed:
Christina Marquardt
Wirtschaftsprüferin
(German Public Auditor)

FINANCIAL CALENDAR

December 20, 2024	Financial Update: 3rd Quarter of 2024/25 as of November 30, 2024
March 25, 2025	Trading Statement FY 2024/25 as of February 28, 2025
May 21, 2025	Annual Report 2024/25 as of February 28, 2025 Annual Results Press Conference for Financial Year 2024/25 Analysts' Conference of HORNBACH Holding AG & Co. KGaA

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DISCLAIMER

This half-year report contains forward-looking statements based on assumptions and estimates made by the management of HORNBACH. Although we assume that the expectations expressed or implied in these forward-looking statements are realistic, the company can provide no guarantee that these expectations will also turn out to be accurate. By their nature, forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors which could lead actual results, developments, and outcomes to differ 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 exceptional weather conditions, a lack of acceptance of new sales formats or new product ranges, as well as changes to the corporate strategy. Forward-looking statements are always only valid at the time at which they are made. HORNBACH has no plans to update forward-looking statements, neither does it accept any obligation to do so.