

Investor Presentation FY 2023/24

including Trading Statement

HORNBACH Holding AG & Co. KGaA

March 2024

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HORNBACH at a glance

Business overview



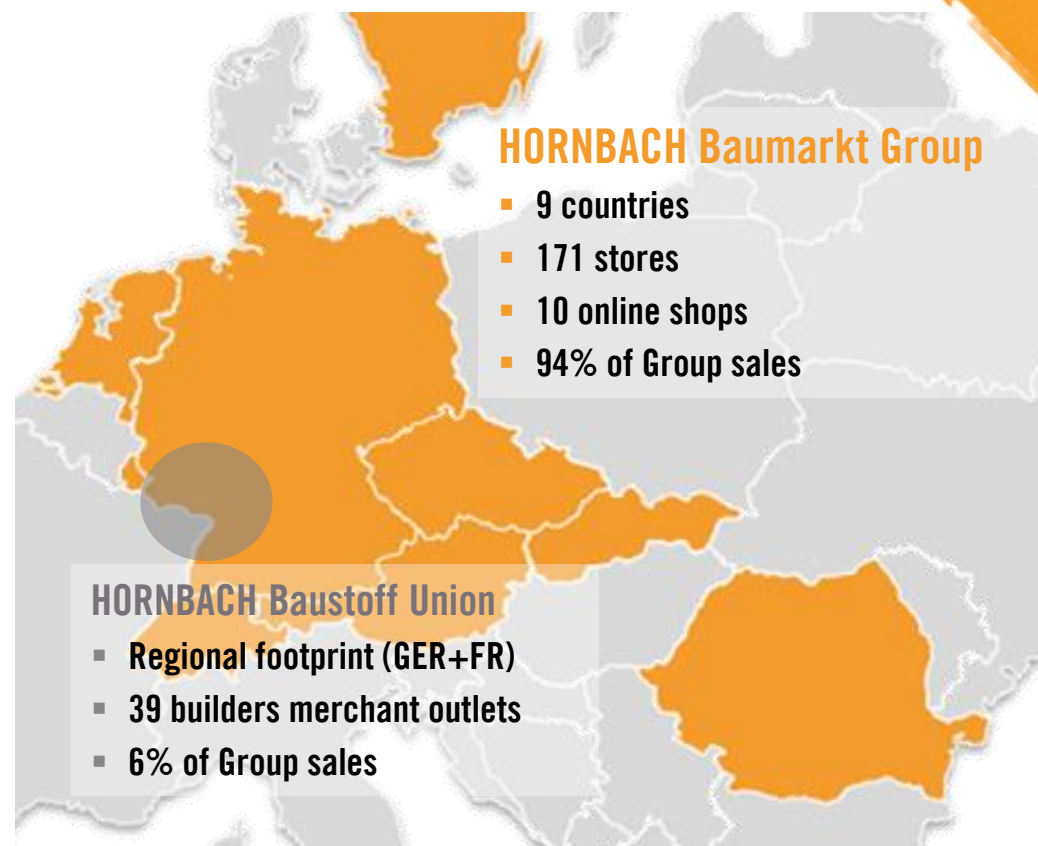
- One of Europe’s leading home improvement retail groups
- Market leader in home improvement interconnected retail in Germany
- Organic growth above the German home improvement sector

Key figures FY 2023/24



- New store in Nijmegen (NL) – opened in July 2023
- Preliminary Group sales of € 6.2bn (yoy: -1.6%)
- Preliminary Group adj. EBIT of € 254m (yoy: -12%)

HORNBACH Group: European footprint (March 2024)



Why invest in HORNBACH?

Leading European home improvement player with a resilient business model



Best customer experience: broad and deep product offering, EDLP strategy and industry-leading e-commerce platform



Best sales density based on efficient big box store network, large project focus and interconnected retail



Consistently gaining market share through sustainable long-term like-for-like growth rate above sector average and GDP



Operational and financial flexibility with 61% of high-quality selling space owned in 9 European countries



Well positioned to supply for a rising need for renovations: energy efficiency, ageing housing stock and demographic change



Value stock with a family anchor shareholder, strong ESG focus and reliable dividend payments since decades

Deliver the best customer experience for project customers & trade professionals

- Everyday low price
- One-stop shop for all large DIY projects
- Broad and diversified product range incl. B2B brands and private labels
- Expert advice in store & online
- Interconnected retail (ICR) covers all customer touchpoints
- Large quantities available in store for professional & project demands
- Drive-in service allowing rapid and convenient handling of orders
- Extended opening hours
- Additional trade services incl. site delivery & trade credit

Sales split by customer type



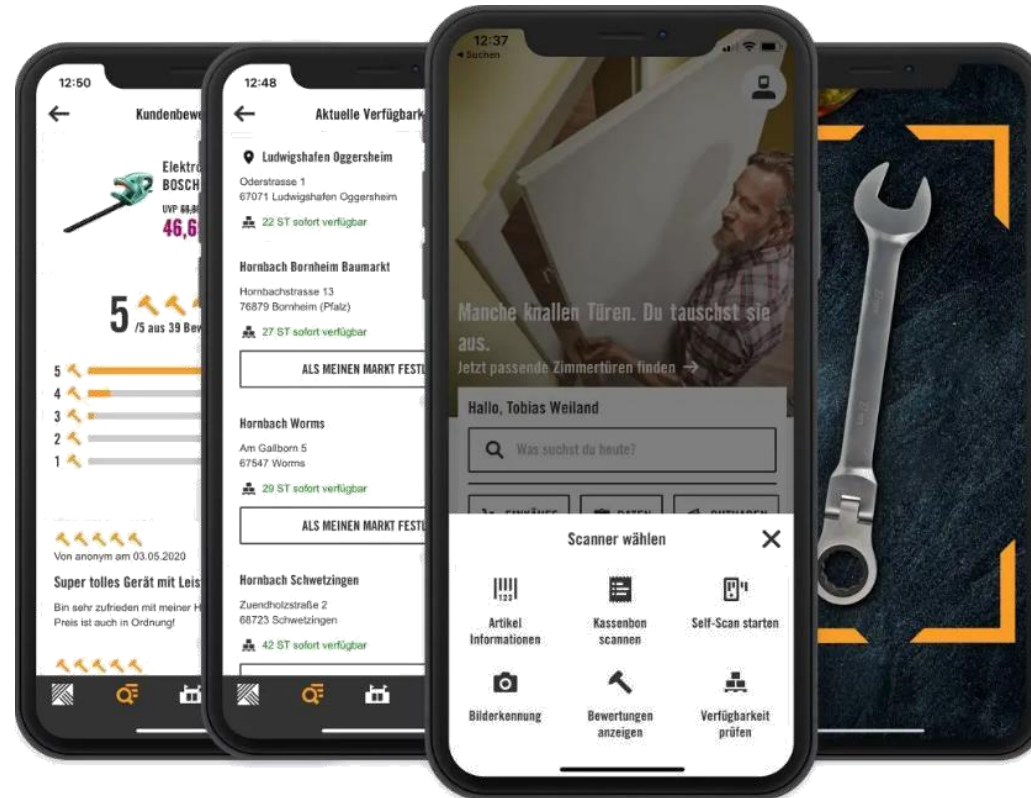
Interconnected retail strategy enhances shopping experience and increases store productivity

Webshop and app

- Product availability and location in store
- Custom product configurators (paint, metal sheets, doors, windows, shower cabins etc.)
- Shopping list
- Customer account: purchasing history, electronic receipts

Additional app functionalities

- Image search for articles
- Self-scan for convenient in-store payment process



Best DIY webshop in Germany, Austria and the Netherlands¹⁾

1) Kundenmonitor Germany/Austria, Retailer of the Year Netherlands

~13%

Online share of HORNBACH Baumarkt AG sales (incl. click & collect)

286,000

SKUs available in the online shop vs. on average 50,000 in the store

< 5%

Low return ratio across all countries

3x

The average basket of online customers is 3x higher than for in-store purchases

Attractive customer proposition

Seamless customer journey across ICR channels

Prepare

- Consult project manuals / videos
- Create shopping list
- Check product availability
- Compare / customize products



>50% of HORNBACH customers use online shop to prepare purchases

Get advice

- Talk to our experts in store or via video conferencing
- Call our centralized customer service center



Many HORNBACH stores offer video advice

Shop

- Locate product in store via app
- Click & collect
- Self-scan to accelerate checkout



~ 50,000 products available in store – up to 286,000 online

Get delivered

- Direct delivery of products ordered online or in store to home / building site
- Get online products delivered to store
- Rent a truck or trailer



> 40% of online purchases are picked up in the store

After purchase

- Return products to store
- 30-day price guarantee¹⁾
- See online and offline receipts in customer account
- Re-purchase products as needed



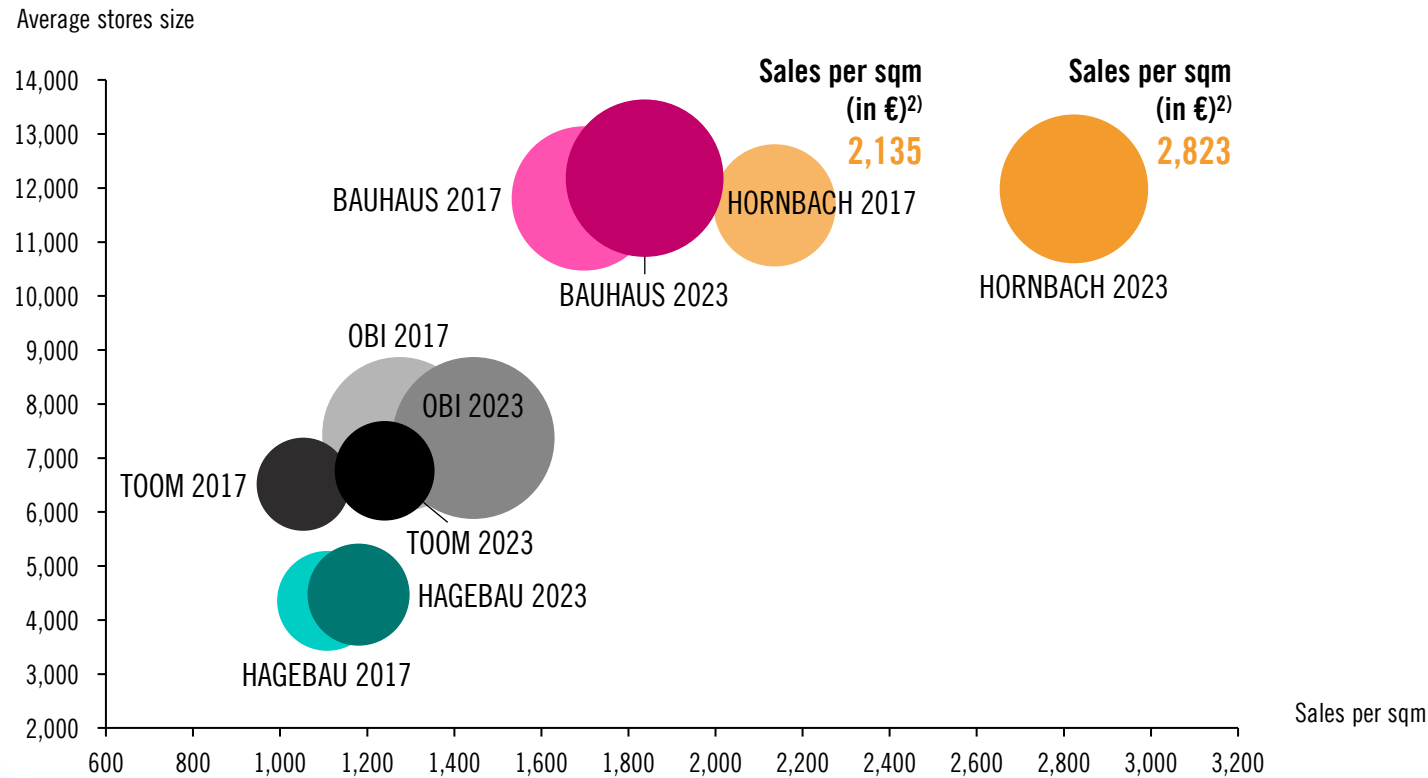
> 4,1 million customers with customer account

¹⁾ In the event of a price reduction at HORNBACH within 30 days of purchase, customers will have the price difference credited to their customer account.

Leading sales floor efficiency

Market-leading and growing sales floor efficiency

Sales per sqm (€) of HORNBACH and German competitors¹⁾



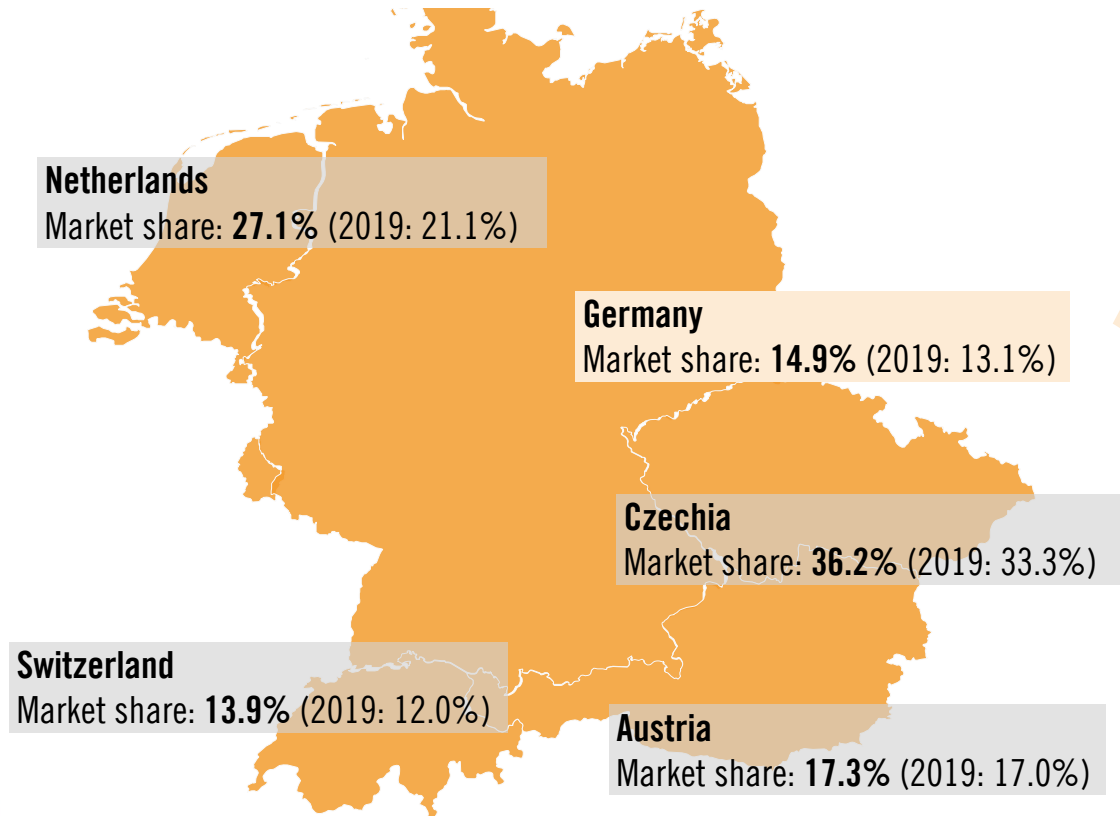
1) Dähne Statistik Baumarkt + Garten 2024/ own calculations 2) Weighted net sales per sqm (fiscal year 2023/24)

- Clear focus on organic, high-quality growth in large catchment areas, rigorous location examination to meet required standards
- Interconnected retail strategy increased store productivity: Online share at 13% vs German DIY sector (~5%)
- Broad and deep product range combined with availability in sufficient project quantities
- Focus on large projects and professional customers (>20% of sales) leading to large baskets and repeat purchases supplemented by trained client advisors

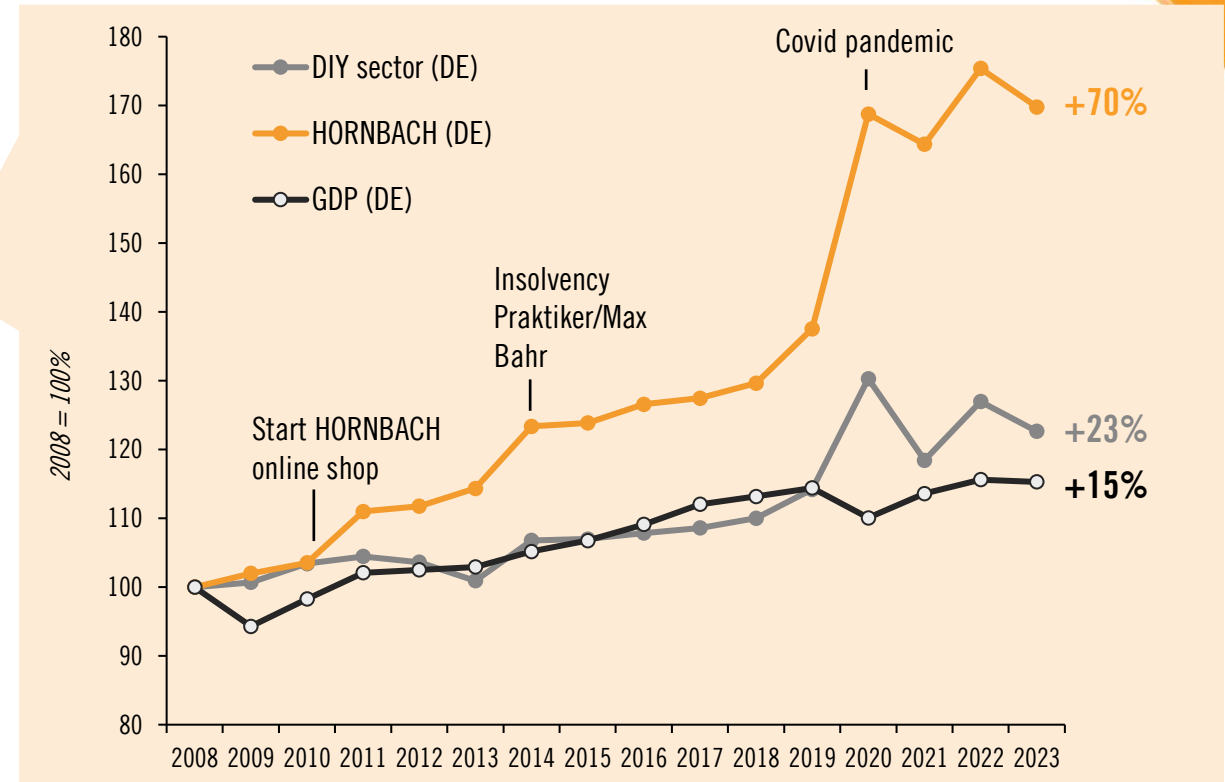
Like-for-like growth rate above sector average leads to increasing market shares

Market share of HORNBACH Baumarkt 2019 and 2023 in % (GfK)

DIY stores >1,000 qm



Like-for-like growth rate of the German DIY sector / German GDP vs HORNBACH (calendar year)¹⁾²⁾

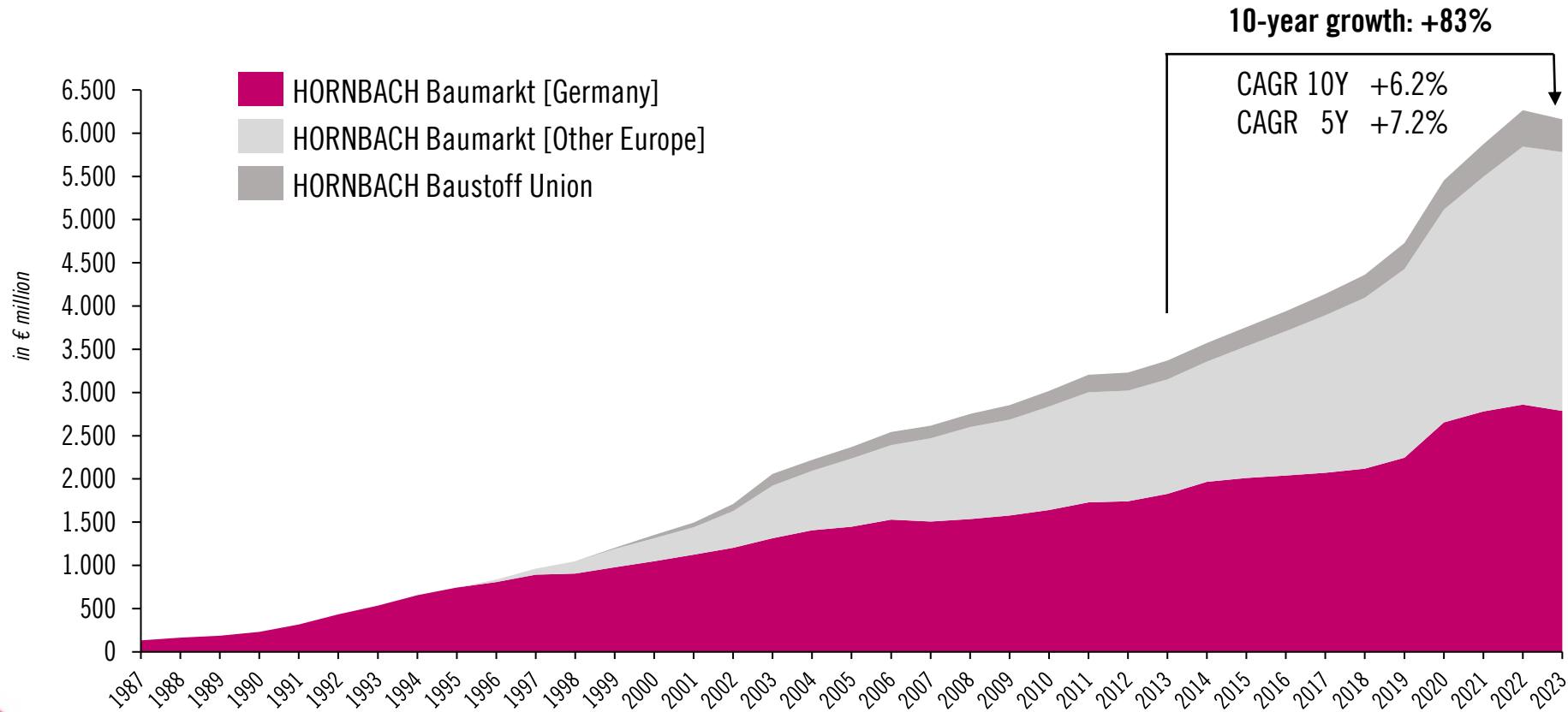


1) In constant currencies; includes sales from all stores that have been open for at least one year as well as sales from online shops 2) GfK DIY panel (until 2013), GfK DIY-TSR (since 2014)

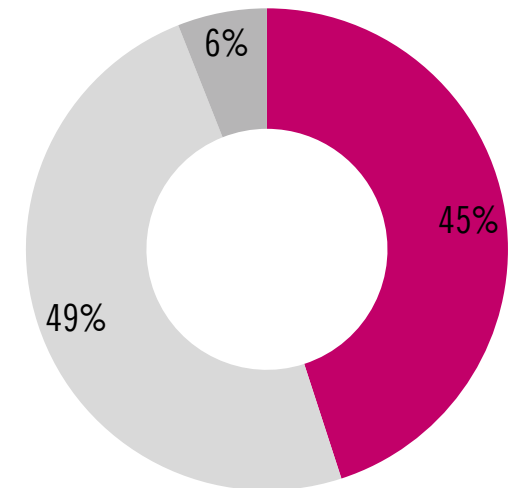
Sustainable long-term growth

Successful long-term organic growth

Net sales of HORNBACH Group since IPO



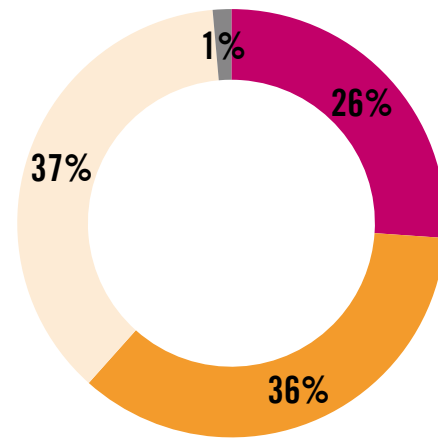
FY 2023/24:
€ 6,161 million



Own real estate offers operational and financial flexibility

- **Warehouse-style megastores** in attractive, big catchment areas
- **Homogeneous store network** (77% of stores > 10,000 sqm): Economies of scale in store operation
- Average selling space of approx. **12,000 sqm**
- **171 stores with >2 million sqm retail space**

~62% of retail space owned



- Owned Property HORNBAACH Immobilien
- Owned Property HORNBAACH Baumarkt
- Finance Lease
- Land rented, building owned



Flexible logistics network



- 18 logistics locations (store logistics and fulfillment)
- ~ 360,000 sqm warehouse and outdoor storage space



- Suppliers shipping directly to customers



- Selected HORNBAACH stores equipped for B2C delivery



All stores:

- Click & collect in store
- Pick-up/return of online orders in store



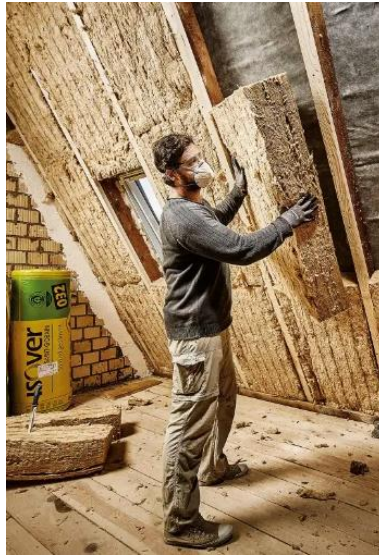
Rising need for renovations

DIY plays an important role in adjusting homes to our needs

Cocooning and **working from home**¹⁾ are here to stay requiring **multifunctional living spaces**



Rising **energy prices** and the pledge towards **carbon neutrality** in 2050²⁾ drives **energy refurbishment**



An **ageing society** triggers rising demand for **low-barrier renovations**



DIY is a **low-cost alternative** vs appointing a professional



1) ECB Consumer Expectations Survey (CES), ECB Economic Bulletin, Issue 1/2023 2) European Commission 2050 long-term strategy

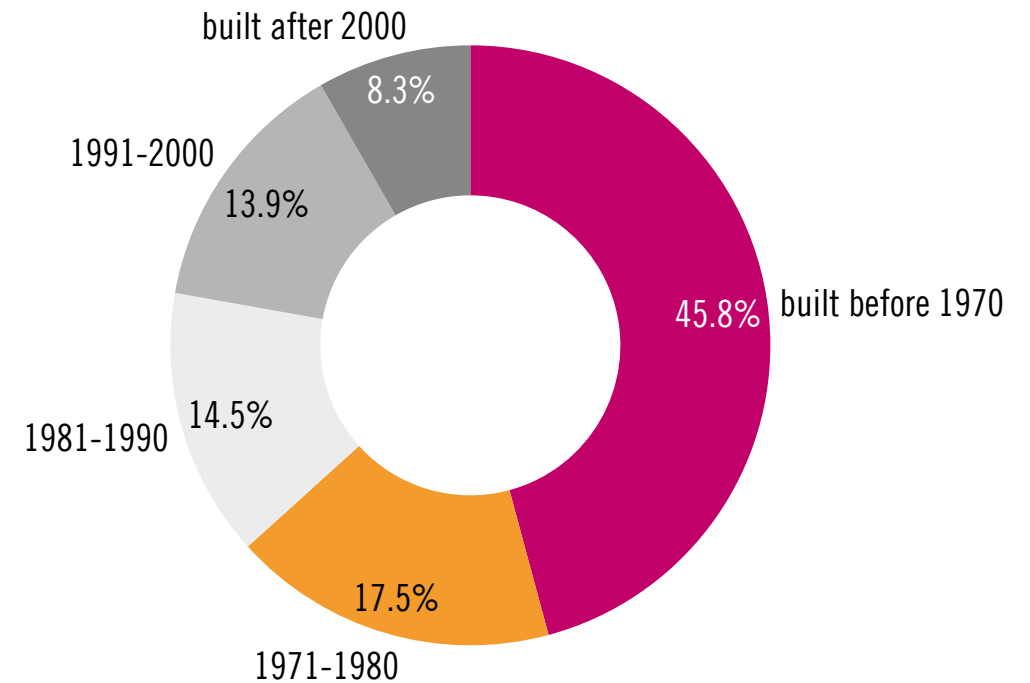
Rising need for renovations

Renovation market expected to grow

- **85%** of buildings in Europe were built over 20 years ago¹⁾; **85-95%** are expected to still be standing in 2050²⁾
- Around **15%** of Europeans live in homes with a leaking roof, damp walls, floors or foundations³⁾
- Only **2%** of apartments in Germany are **low-barrier or barrier-free**⁴⁾
- Required investments to bring the building stock in line with **climate-neutrality** by 2050¹⁾ are estimated at **€243bn per year**

Age structure of residential buildings in Europe

Source: Eurostat; B+L



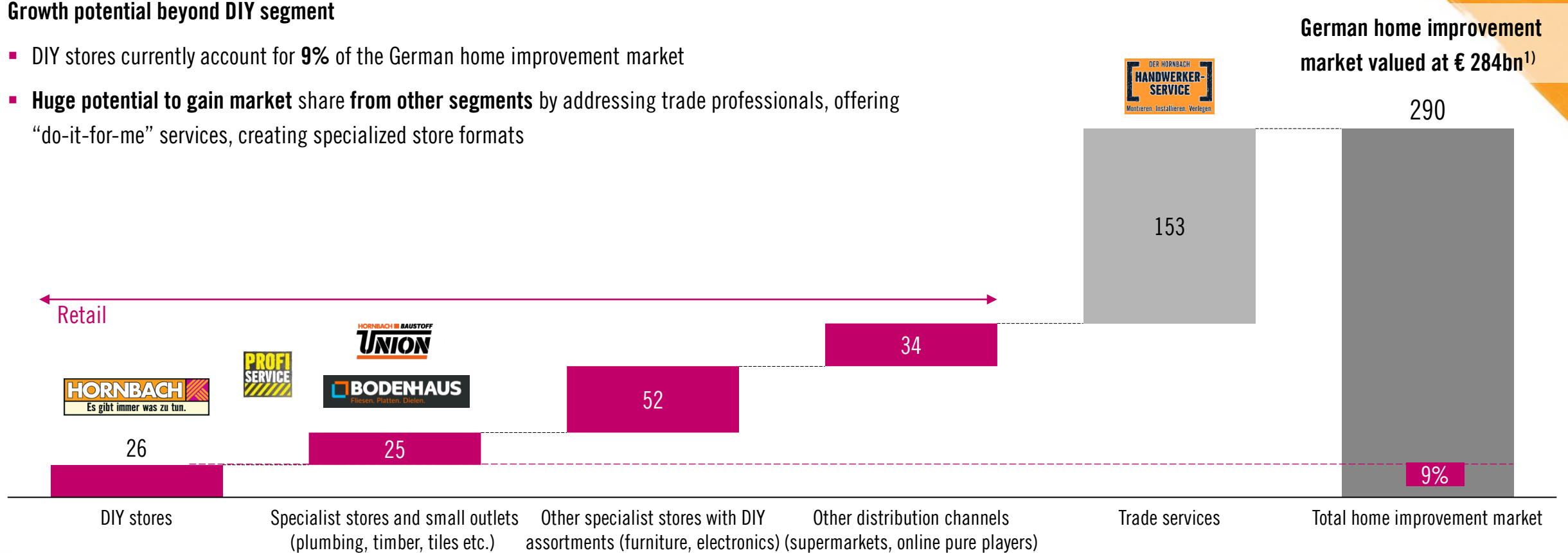
1) Buildings Performance Institute Europe 2) EU commission 2020 3) Eurostat 4) Destatis

Rising need for renovations

Fragmented home improvement market offers opportunities to expand in other segments

Growth potential beyond DIY segment

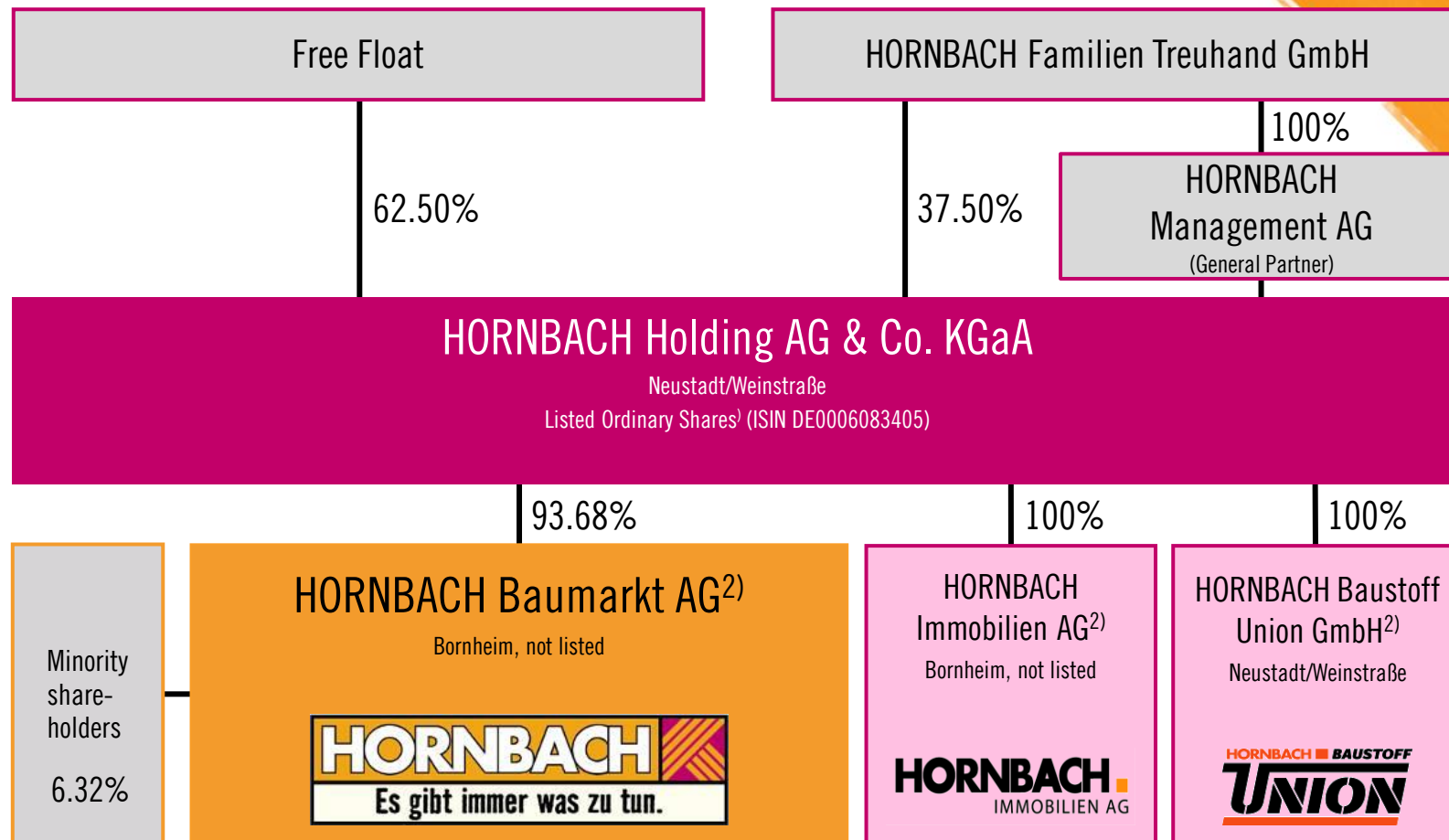
- DIY stores currently account for **9%** of the German home improvement market
- Huge potential to gain market share from other segments** by addressing trade professionals, offering “do-it-for-me” services, creating specialized store formats



1) Klaus Peter Teipel, Research & Consulting (in € bn) for 2023

Strong commitment and support of Hornbach family as anchor shareholder

- **HORNBACK Familien Treuhand** holds all shares in HORNBACK Management AG and must hold more than 10% in HORNBACK Holding (currently 37.5%)
- HORNBACK Management AG is led by **Albrecht Hornbach** as CEO
- Three **family members of the 6th generation** hold management positions within HORNBACK Group



1) Number of shares: 16.000.000 / stock market code: HBH 2) Including other subsidiary companies in Germany and abroad

Committed to sustainable business, reflected in our values and CSR Standards

Assortment

- Transparent **product information**
- Respect of **human rights, social and environmental standards** in the supply chain
- Timber from **sustainable forestry** (FSC® Chain of Custody certificate)
- **No hand-hewn** natural stone

People

- Commitment to **open communication and diversity**
- Attractive **education and training** programs
- **Fair remuneration** above sector average and attractive benefits

Environment

- Continuous reduction of **CO₂-emissions** in own operations and investment in own energy production
- **Evaluation of Scope 3 emissions and reduction potential**
- Active contribution to **circular economy** - reusing, repairing, refurbishing and recycling

Communities

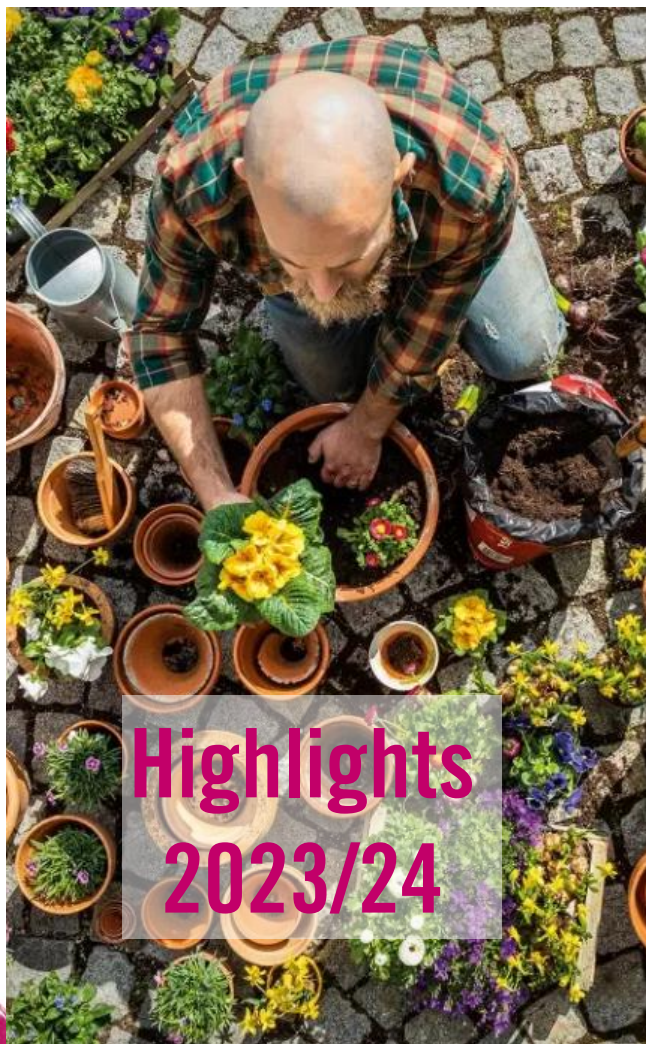
- Our stores support **social projects in local communities** with building material and know-how
- **Company foundation** “Menschen in Not” supports people in need

HORNBACH Foundation – HORNBACH Values – CSR Guidelines – CSR Standards (suppliers)

Implementation of ESG KPIs in management compensation from 2023

FY 2023/24

March 1, 2023 until February 29, 2024



DIY customers focus on smaller renovation and gardening projects

- Preliminary FY 2023/24 **Group net sales** slightly down (-1.6%) to € 6,161m from previous year's record level
- **Online sales share** (HORNBACH Baumarkt) at **12.7%** in FY 2023/24
- **Number of customers** (HORNBACH Baumarkt) increased by **+2.3%**

Preliminary earnings in line with guidance

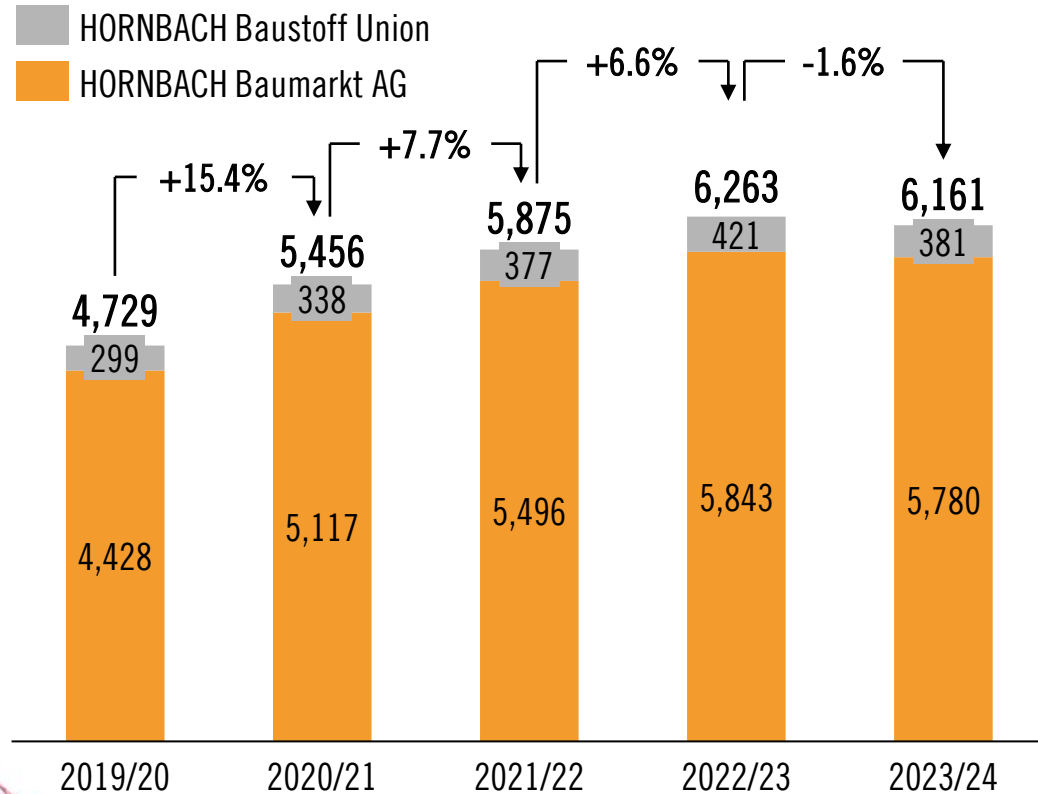
- FY 2023/24 **adj. EBIT** at € 254m (yoy: **-12%**)
- **Improvement in Q4 adjusted EBIT** vs previous year driven by sequential improvement of gross margins based on lower commodity prices in some product groups and more favorable product mix

HORNBACH further investing in stores, online platform and services

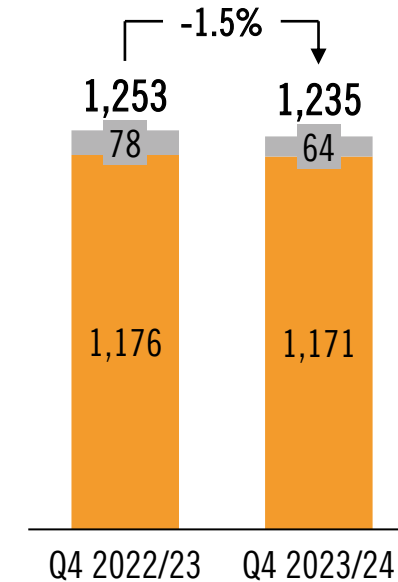
- HORNBACH Baumarkt started integrated **online marketplace** for third-party sellers in October 2023
- Acquisition of German start-up Seniovo, which specializes in **serial barrier-free bathroom renovations**, enhancing do-it-for-me services
- New DIY store opened in **Nijmegen (Netherlands)**
- Building material **drive-ins** or **pick-up facilities** added to several stores
- 34 HORNBACH stores newly equipped with **photovoltaic systems**
- **New IT hub** in **Bucharest (Romania)** to support ICR projects within the Group

Net sales in FY 2023/24 slightly down from previous year's record level

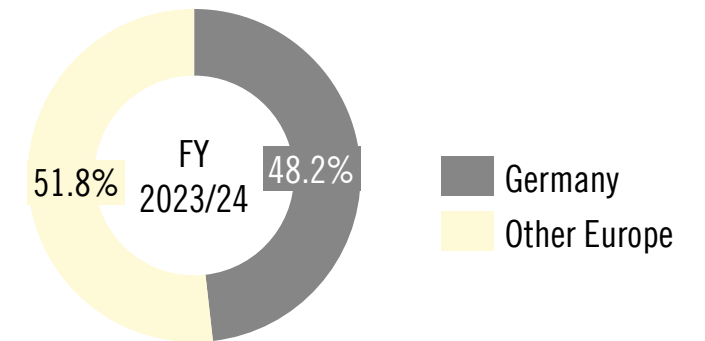
Net sales (Mar 1 – Feb 28/29 // Q4: Dec 1 – Feb 28/29)¹⁾



- Net sales HORNBAACH Baumarkt subgroup -1.1%
 - Germany: -2.6% / Other Europe: +0.4%
 - International share increased to 51.8%
- Net sales HORNBAACH Baustoff Union subgroup -9.6%



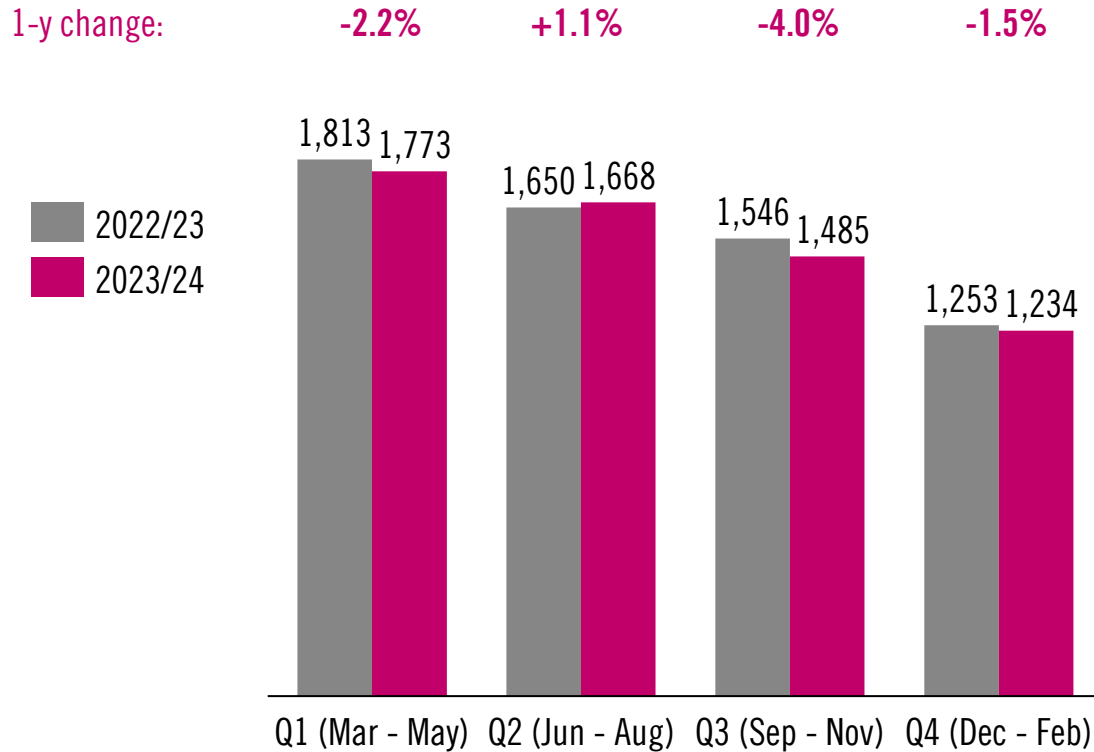
HORNBAACH Baumarkt AG: Share of net sales by region



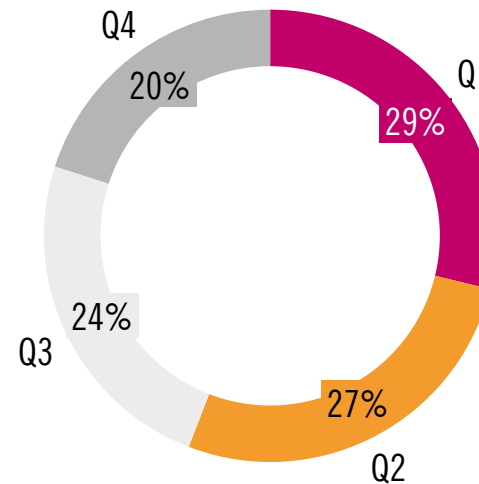
¹⁾ preliminary and unaudited for 2023/24

Robust sales development in all quarters with stronger summer season

HORNBACH Group: Net sales per quarter¹⁾



Sales share by quarter 2023/24



- Quarterly sales development shows slower spring quarter (Q1) due to weather effects and some catch-up in Q2
- Q3 sales level reflects strong previous year's quarter with "panic purchases" of heating equipment
- Q4 sales only slightly down vs previous year - good weather conditions in February

¹⁾ preliminary and unaudited for 2023/24

Like-for-like sales reflect customer caution and lower average tickets

- **Like-for-like sales** for the Group slightly down by 2.0% (2022/23: +3.6%)
- **Deflationary effects** in some core commodity categories started to show in H2
- **Strong performance in the Netherlands** driven by increased footfall and strong project sales
- In 2023/24 Group-wide on average **1.1 business days less** than previous year (business days: Q1: -1.5; Q2: +0.8; Q3: +/-0; Q4: -0.5)

Like-for-like sales growth¹⁾ per quarter and fiscal year in %

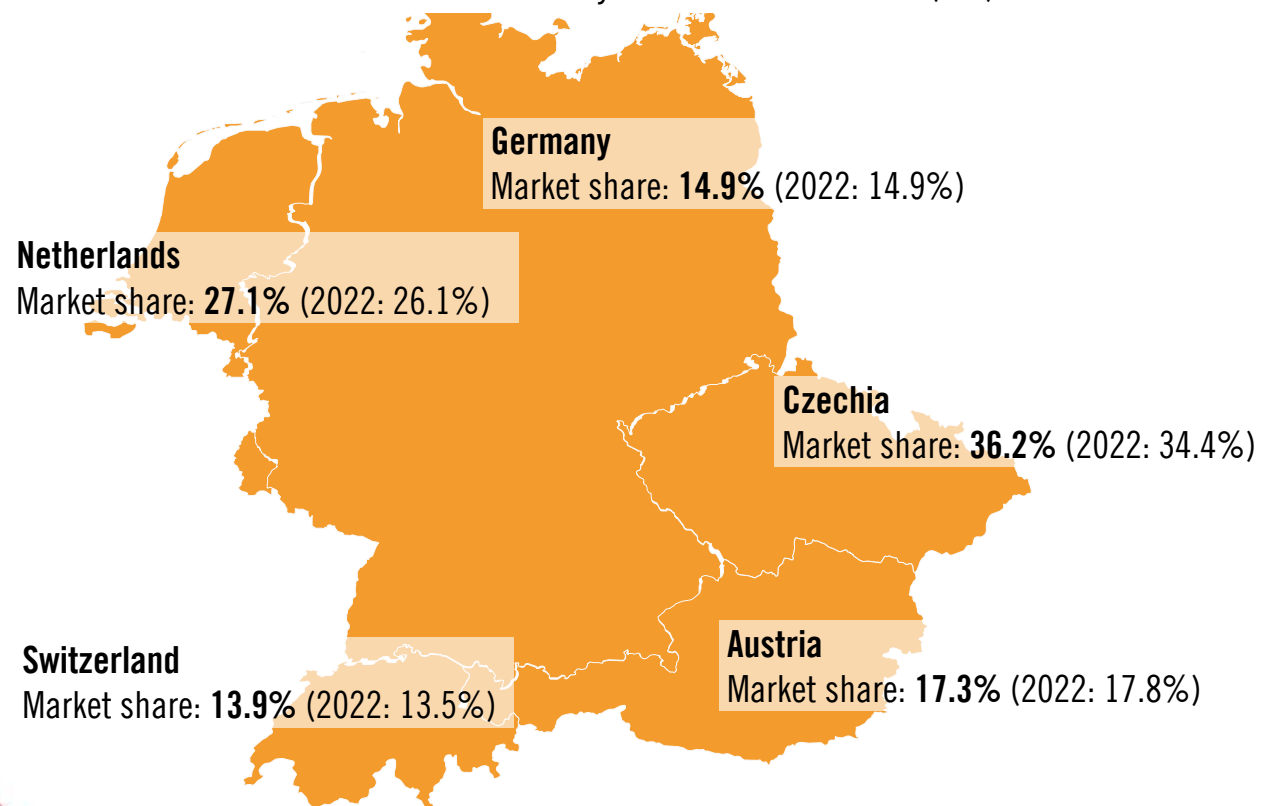
	Q1 2023/24	Q2 2023/24	Q3 2023/24	Q4 2023/24	FY 2023/24
Total	(3.2)	1.0	(4.3)	(1.3)	(2.0)
Germany	(5.7)	0.3	(5.0)	(1.6)	(3.1)
Other Europe	(0.8)	1.6	(3.6)	(1.1)	(0.9)
Austria	(6.6)	(3.5)	(9.0)	(4.4)	(6.0)
Czechia	(3.2)	(1.2)	(5.6)	(3.1)	(3.3)
Luxembourg	0.6	7.7	(1.0)	(5.3)	0.8
Netherlands	7.7	7.5	(0.3)	1.3	4.2
Romania	(2.2)	(0.9)	(3.5)	1.9	(1.4)
Slovakia	(0.4)	1.3	(5.2)	(1.0)	(1.3)
Sweden	(7.1)	(0.7)	0.5	0.7	(2.2)
Switzerland	(2.3)	1.6	(3.9)	(3.0)	(1.8)

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

HORNBACH Baumarkt: Gaining further market share in key international markets

Market share 2023 in key countries

Market share of HORNBACH Baumarkt January – December 2023 in % (GfK)



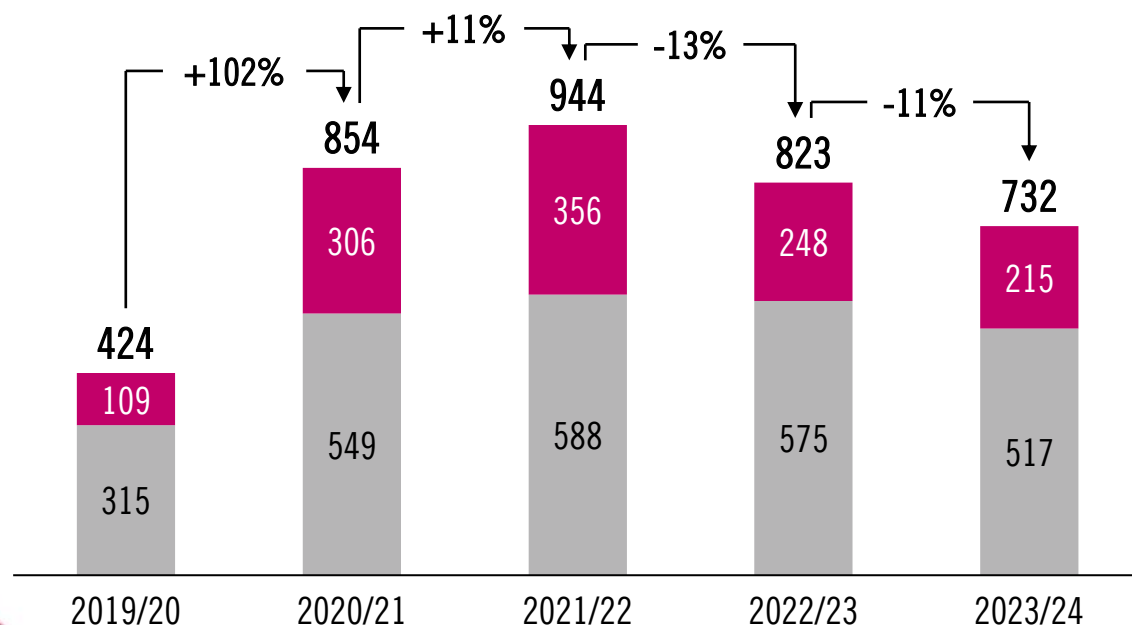
- HORNBACH continued to **gain market share** (GfK) in key international markets in the calendar year 2023
- Strong market share gains in the **Netherlands** (+ 1.0 ppt) and **Czechia** (+1.8 ppt).
- Market share in **Germany** stable on a high level at **14.9%**

Source: GfK DIY-TSR (Large DIY stores > 1,000 sqm), no data for Luxemburg, Romania, Slovakia, Sweden

E-commerce significantly ahead of pre-pandemic levels

9.6%	16.7%	17.2%	14.1%	12.7%	E-commerce share ¹⁾
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Click & Collect Direct delivery



1) In % of HORNBACH Baumarkt subgroup net sales

- **E-commerce share of HORNBACH Baumarkt sales** (incl. Click & Collect) at **12.7%** in FY 2023/24
- **Direct delivery** and **Click & Collect** remain well above pre-pandemic levels – established sales channels in DIY and DIFM
- Number of **customer accounts** increased by **17%** to 4.1 million in FY 2023/24
- More than half of our **online orders** were **fulfilled through our stores**

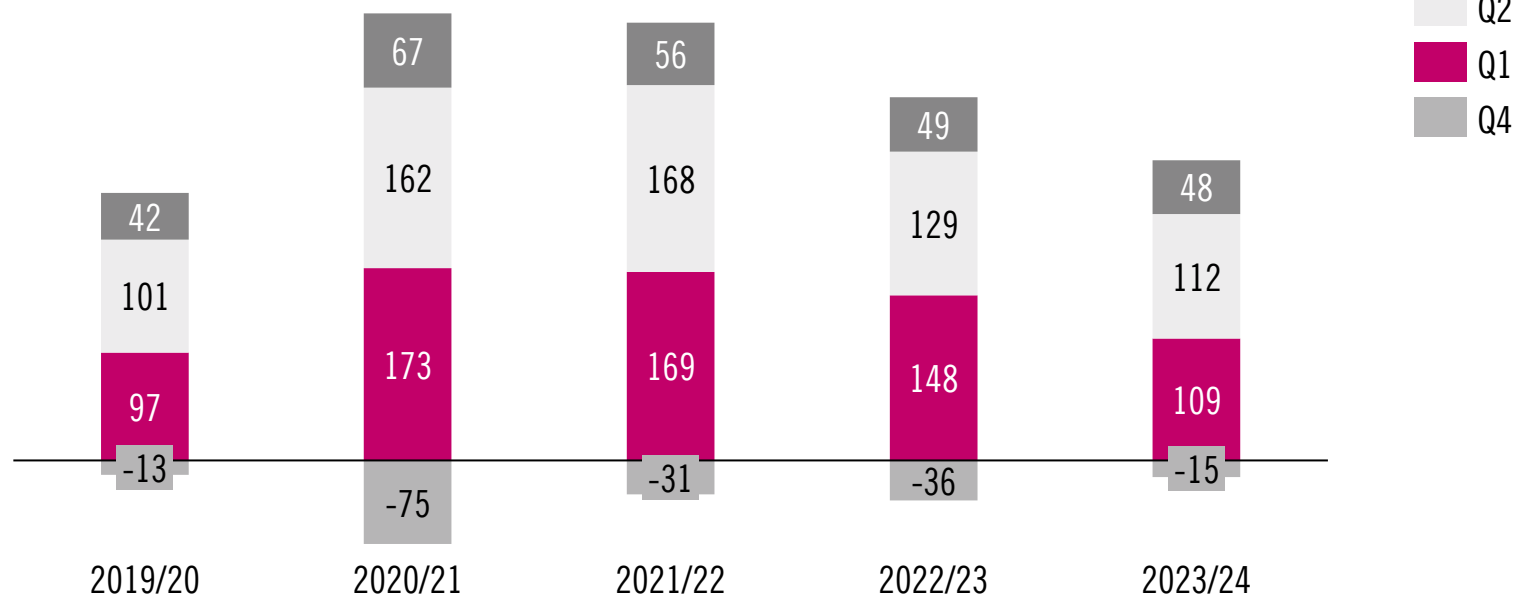
Adjusted EBIT¹⁾ in € million and adjusted EBIT margin in %

Robust profit development in FY 2023/24 in line with guidance

- Adjusted EBIT on Group level improved significantly in Q4 2023/24 vs. previous year driven by improvement in gross margin
- Positive impact from normalization of some core commodity prices and more favorable product mix

Adjusted EBIT and adjusted EBIT margin FY:

4.8%	6.0%	6.2%	4.6%	4.1% ²⁾
227	326	363	290	~254 ²⁾



1) Adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years 2) Preliminary and unaudited

Navigating current challenges while pursuing long-term opportunities



- Focused on **improving efficiency** through actively managing costs and inventory
- Maintaining **price leadership** and ensuring we remain a reliable partner to our customers
- Continuing to invest in our ICR strategy and digitalization of our business to **maintain our strong market positions**
- **Committed to sustainability** in our own operations, our supply chain and regarding our product offering
- **Robust balance sheet** and **reliable dividend**
- **Confident in our business model** and well positioned to navigate current macroeconomic environment and grow market shares

Upcoming events & contact

Financial Calendar

April 23, 2024	Champions Conference – Quirin Privatbank (Frankfurt)
April 24, 2024	Munich Capital Market Conference – GBC (Munich)
May 14, 2024	German Spring Conference – Equity Forum (Frankfurt)
May 22, 2024	Annual Report FY 2023/24 as of February 29, 2024 / Analyst Conference (Frankfurt)
May 23, 2024	European Champions Conference 2024 - Deutsche Bank (Frankfurt)
June 6, 2024	Erste's Consumer & Technology Conference 2024 - Erste Group (virtual)
June 6, 2024	Warburg Highlights (Hamburg)
June 25, 2024	Quarterly Statement Q1 2024/25 as of May 31, 2024
July 5, 2024	Annual General Meeting, Landau (Palatinate)

Updates on our [IR website](#)

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Key figures: 10-year overview

In € million unless otherwise stated	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Net sales	6,263	5,875	5,456	4,729	4,362	4,141	3,941	3,755	3,572	3,369
of which in Germany	3,270	3,149	2,985	2,536	2,376	2,312	2,262	2,223	2,172	2,035
of which in other European countries	2,994	2,726	2,471	2,193	1,986	1,829	1,679	1,533	1,400	1,334
Sales growth as % of net sales	6.6	7.7	15.4	8.4	5.3	5.1	4.9	5.1	6.0	4.3
Gross margin as % of net sales	33.4	35.0	35.2	35.8	36.0	36.6	36.6	37.0	37.3	36.6
EBITDA	505	565	516	420	235	263	254	231	243	236
as % of net sales	8.1	9.6	9.5	8.9	5.4	6.3	6.5	6.2	6.8	7.0
EBIT	259	355	312	214	121	161	157	138	165	160
as % of net sales	4.1	6.0	5.7	4.5	2.8	3.9	4.0	3.7	4.6	4.8
Adjusted EBIT¹⁾	290	363	326	227	135	166	160	151	167	164
as % of net sales	4.6	6.2	6.0	4.8	3.1	4.0	4.1	4.0	4.7	4.9
Earnings before taxes (EBT)	218	314	266	166	99	132	130	113	140	128
as % of net sales	3.5	5.3	4.9	3.5	2.3	3.2	3.3	3.0	3.9	3.8
Net income for the year before non-controlling interest	168	245	201	123	75	96	90	98	107	86
as % of net sales	2.7	4.2	3.7	2.6	1.7	2.3	2.3	2.6	3.0	2.6
Earnings per share	9.83	12.48	10.33	6.56	4.08	5.11	4.84	5.04	5.64	4.55
Employees - annual average - converted into full-time equivalents	20,582	19,961	18,720	17,935	17,053	16,223	15,751	15,283	14,663	14,064

1) adjusted to exclude non-operating earnings items, e.g. impairment losses on assets, income from disposals of properties, income from write-ups of assets impaired in previous years

