

Trading Statement 2021/22: Hornbach Group achieves record sales of EUR 5.9 billion in FY 2021/22, an increase of 7.7%

- Record sales of EUR 5.9 billion underpinned by strong customer demand
- Sales of Hornbach Baumarkt (incl. online retail) grow by 7.4% – sales of Hornbach Baustoff Union grow by 11.8%
- Against a challenging environment Hornbach continues to gain further market share in Germany and a number of international markets
- Online sales increase by 10.5% to EUR 944 million – online share of total sales at 16% in FY 2021/22
- Unaudited adjusted consolidated operating earnings (EBIT) expected to rise by approx. 11% to around EUR 364 million (+60% vs. 2019/20)
- Successful completion of tender offer with Baumarkt delisting in effect as of February 28, 2022

Table 1: Preliminary unaudited key figures Hornbach Holding AG & Co. KGaA Group

(in EUR million unless otherwise stated)	2021/22 financial year	2020/21 financial year	Change in %
Net sales at Hornbach Group	5,875	5,456	7.7
Net sales at Hornbach Baumarkt AG subgroup	5,496	5,117	7.4
of which in Germany	2,780	2,654	4.8
of which in Other European Countries	2,716	2,463	10.3
Net sales at Hornbach Baustoff Union GmbH subgroup	377	338	11.8
Number of Hornbach Baumarkt stores ¹⁾	167	163	2.5
Sales areas (Hornbach Baumarkt) as per BHB (000 sqm)	1,978	1,918	3.1
Total workforce of Hornbach Group ²⁾	24,268	23,279	4.2

1) Of which 165 Hornbach DIY stores with garden centers and two Bodenhaus outlets

2) Number of employees, including passive employment relationships, at balance sheet date on February 28/29

Rounding up or down may lead to discrepancies between percentages and totals. Percentage figures calculated on basis of Euro 000s.

Bornheim (Palatinate), Germany, March 22, 2022.

In the 2021/22 financial year (March 1, 2021 to February 28, 2022), the Hornbach Group (Hornbach Holding AG & Co. KGaA Group) once again exceeded its record sales from the previous year and gained further share in key markets. As published in an ad-hoc announcement yesterday, net sales grew by 7.7% to EUR 5,875 million according to unaudited preliminary figures and, therefore, slightly exceeded the guided range of +2% to +7%. The increased focus on the home amongst consumers continued and demand for DIY and home improvement products remained strong. Covid-19 related closures of stationary stores serving private customers were offset by

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an expansion in online retailing and Click & Collect. The largest operating subgroup, Hornbach Baumarkt AG, which operated 167 locations and nine online stores as of February 28, 2022 (previous year: 163), increased its sales by 7.4% to EUR 5,496 million. On a like-for-like basis and net of currency items, sales of Hornbach Baumarkt rose by 5.4%. Online sales (including Click & Collect) increased by 10.5% to EUR 944 million (previous year: 854 Mio. EUR). The Hornbach Baustoff Union GmbH subgroup posted sales growth of 11.8% to EUR 377 million.

"Despite the uncertain market backdrop the business continued to perform well delivering further market share gains. The expansion of our high performance interconnected retail concept (ICR), our consistent focus on project and professional customers, and our forward-looking inventory strategy continue to pay off", commented Albrecht Hornbach, Chairman of Hornbach Management AG.

As in the previous year, many Hornbach regions were affected by temporary store closures for private customers, especially in spring and winter (see Table 3). Sales to commercial customers and click & collect for private customers generally remained open, as did online retail across the board. Home improvement was a strong focus for consumers despite the relaxation of Covid-19 restrictions. In addition, there was sustained high demand from commercial customers, who increasingly sourced at DIY stores.

The Group continued to manage inflationary pressures and supply issues, including bottlenecks in logistics and rising raw material and transportation costs. "Many of the challenges that have accompanied us over the past two years, particularly in the procurement and transport of goods, will continue to stay in the foreseeable future and have even become more acute due to the current geopolitical turmoil", said Erich Harsch, CEO of the Hornbach Baumarkt AG. "Since the beginning of the pandemic, we have worked very closely with our existing suppliers, developed new sources of supply, created additional storage capacities and flexibly used various transport alternatives to ensure the constant availability of goods for our customers."

Table 2: Like-for-like sales performance at Hornbach's DIY stores with garden centers³⁾ (in %)

2021/22 financial year	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
Group	4.3	2.5	(0.1)	20.0	5.4
<i>Group previous year</i>	17.5	21.4	19.7	(3.5)	14.7
Germany	-0.1	1.7	(4.3)	26.5	3.7
<i>Germany previous year</i>	24.4	24.1	25.5	(4.9)	18.6
Other European Countries	9.5	3.4	4.5	13.8	7.3
<i>Other European Countries previous year</i>	10.3	18.6	14.0	(2.2)	10.8

3) Excluding currency items; including Bodenhaus and online sales

Net sales in Germany grew by 4.8%

Net sales at Hornbach Baumarkt AG, including online retail, rose by 4.8% to EUR 2,780 million in Germany in the 2021/22 financial year (previous year: EUR 2,654 million). Like-for-like sales, i.e.

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excluding new store openings and closures in the past twelve months (see Table 2), showed growth of 3.7% (previous year: 18.6%). During the period Hornbach outperformed the German DIY sector, which reported a decline of 8.2% in the 2021 calendar year. Hornbach Baumarkt market share in Germany (GfK⁴) meanwhile increased from 14.0% to 15.1% in 2021. In Germany, Hornbach operated 96 (previous year: 96) stores in the stationary DIY retail segment as of the reporting date, as well as two Bodenhaus specialist stores (previous year: two). One DIY store and garden center in Paderborn was replaced by a larger store in February 2022.

International activities grew by 10.3%

In the eight countries outside Germany (Rest of Europe region), the Hornbach Baumarkt AG subgroup, including its online retail activities, achieved net sales growth of 10.3% to EUR 2,716 million (previous year: EUR 2,463 million). As a result the international share of Group sales rose slightly from 48.1% to 49.4%. Net of sales area and currency items, Hornbach increased sales in the rest of Europe by 7.3% (previous year: 10.8%). Including currency items, like-for-like sales rose by 8.0% (previous year: 10.8%). Market share (GfK) in calendar year 2021 rose from 21.1% to 23.9% in the Netherlands, from 17.5% to 17.9% in Austria, and from 12.3% to 12.7% in Switzerland. Four new DIY megastores with garden centers in Trollhättan (Sweden), Cluj (Romania), Apeldoorn (Netherlands) and Sirmach (Switzerland), were opened during the year 2021/22. In the current financial year a new location opened in Nitra (Slovakia) on March 16, 2022. This will be followed by an opening in Enschede (Netherlands) on March 30, 2022.

High demand also in the builders' merchant business

The high level of demand for building materials was also reflected in performance of the regional builders' merchant business. The Hornbach Baustoff Union GmbH subgroup, reported sales growth of 11.8% to EUR 377 million in the 2021/22 financial year (previous year: EUR 338 million). As of March 1, 2022, Hornbach Baustoff Union acquired a further location in Börstadt (Germany) from a longstanding sales partner, in addition to the 34 outlets in southwestern Germany and two locations in France.

Adjusted EBIT of the Hornbach Group grows to around EUR 364 million

In the past 2021/22 financial year, the Hornbach Group once again exceeded the record earnings posted in the previous year. Based on preliminary unaudited figures, consolidated operating earnings adjusted for non-operating earnings items (adjusted EBIT) rose by approx. 11% to around EUR 364 million (previous year: EUR 326.4 million). This represents an increase of more than 60% compared with 2019/20 (EUR 227.0 million).

Details of the earnings performance and annual financial statements for 2021/22, as well as the sales and earnings forecast for the 2022/23 financial year, will be published on May 17, 2022. A financial press conference and an analysts' conference are also planned for that day.

4) GfK definition: DIY stores bigger than 1,000 sqm; Data available for Germany, Netherlands, Austria, Switzerland and Czech Republic

Delisting of HORNBACH Baumarkt AG successfully completed

In the 2021/22 financial year, HORNBACH Holding AG & Co. KGaA increased its shareholding in HORNBACH Baumarkt AG to 90.86% within the framework of a delisting offer to the shareholders of HORNBACH Baumarkt AG. Within the acceptance period, which ended on February 22, 2022, around 12.61% of the outstanding HORNBACH Baumarkt shares were tendered at a price of € 47.50. The stock market listing of HORNBACH Baumarkt AG on the regulated market of the Frankfurt Stock Exchange (Prime Standard) ended on February 28, 2022.

As announced previously, the delisting tender offer is fully backed by a short term debt facility to be refinanced in due course by a balanced long-term financing structure comprising of debt and/or equity instruments, fully in line with Hornbach's strategy to at least maintain their S&P BB+ rating. Further refinancing initiatives may be considered in due course. The Company remains committed to a strong balance sheet backed by a high quality property asset base.

Table 3: Overview of group-wide restrictions on sales (DIY) in 2021/22 financial year

Country	Stationary store closures for private customers	No. of stores / Openings
Germany	1.3.2021 to 6.6.2021: Incidence-based closures for private customers of on average half of the store network – gardening section open 22.11.2021 to 18.2.2022: Proof of vaccination or recovery required in some Federal States	98
Other European Countries		69
	31.3.2021 to 2.5.2021: Incidence-based closures for private customers of parts of store network (6 of 14 stores) 22.11.2021 to 12.12.2021: Closed for private customers 15.11.2021 to 11.2.2022: Proof of vaccination or recovery required	14
Austria		
Czech Republic	1.3.2021 to 9.5.2021: Closed for private customers, gardening section open	10
Luxembourg	No significant restrictions on sales	1
	1.3.2021 to 27.4.2021: Closed for private customers 19.12.2021 to 14.1.2022: Closed for private customers	15+1 (13.10.2021)
Netherlands		
Romania	Since 25.10.2021: Proof of vaccination or recovery required	7+1 (14.7.2021)
	1.3.2021 to 18.4.2021: Closed for private customers, gardening section open 25.11.2021 to 9.12.2021: Closed for private customers, gardening section open 10.12.2021 to 25.2.2022: Proof of vaccination or recovery required	4
Slovakia		
Sweden	No significant restrictions on sales	7+1 (29.6.2021)
Switzerland	No significant restrictions on sales	7+1 (4.11.2021)
Group		167

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About HORNBACH Group

HORNBACH Group is an independent, family-run DIY group under the umbrella of HORNBACH Holding AG & Co. KGaA, which is listed on the Frankfurt Stock Exchange and represented in the SDAX. The largest subsidiary, HORNBACH Baumarkt AG, operates 168 DIY megastores with garden centers (including specialist stores) and online stores in nine European countries. The Group also includes HORNBACH Baustoff Union, a regional builders' merchant company with 37 locations in southwestern Germany and France, as well as HORNBACH Immobilien AG, which develops retail real estate for the Group. In the 2021/22 financial year (reporting date: February 28, 2022), the HORNBACH Group generated net sales of € 5.9 billion, making it one of the five largest DIY and garden retail companies in Europe. The Group has a workforce of more than 25,000 employees.