

HORNBACH Baumarkt AG Group

1st QUARTER
2021/22

Quarterly Statement
as of May 31, 2021



HORNBACH BAUMARKT AG GROUP

Quarterly Statement: 1st Quarter of 2021/22 (March 1 – May 31, 2021)

Key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	1 st Quarter 2021/22	1 st Quarter 2020/21	Change in %
Net sales	1,575.8	1,492.1	5.6
of which in Germany	814.9	808.4	0.8
of which in other European countries	760.9	683.7	11.3
Like-for-like sales growth	4.3 %	17.5 %	
Gross margin as % of net sales	36.2 %	36.6 %	
EBITDA	211.0	216.0	(2.3)
Earnings before interest and taxes (EBIT)	153.8	160.0	(3.9)
Adjusted EBIT	153.8	160.0	(3.9)
Consolidated earnings before taxes	139.1	146.9	(5.3)
Consolidated net income	104.8	109.8	(4.6)
Basic/diluted earnings per share (€)	3.29	3.45	(4.6)
Investments	53.0	23.1	>100

Misc. key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	May 31, 2021	February 28, 2021	Change in %
Total assets	3,940.4	3,765.2	4.7
Shareholders' equity	1,367.3	1,254.9	9.0
Shareholders' equity as % of total assets	34.7 %	33.3 %	
Number of stores	163	163	0.0
Sales area in 000 m ² (based on BHB)	1,921	1,918	0.2
Number of employees	23,085	22,136	4.3

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

HORNBACH maintains high growth momentum in first quarter of 2021/22

- HORNBACH Baumarkt AG Group further increases its Q1 sales year-on-year by 5.6 % to € 1,575.8 million despite extensive coronavirus-related closures and a chilly spring.
- Online sales (ICR) continue to grow and, on a rolling 12-month basis, exceed the one billion euro mark for the first time – online sales reach 19.4 % share of total sales.
- Like-for-like sales net of currency items: plus 4.3 % at Group – at previous year's level in Germany and up 9.5 % in other European countries
- Adjusted EBIT falls slightly by 3.9 % to € 153.8 million, but remains significantly ahead of pre-coronavirus levels.
- Stable long-term performance despite normalized expenses, maintenance, and increased freight and fulfillment costs
- 2021/22 sales and earnings forecast specified in greater detail:
 - 2021/22 sales slightly up on previous year: growth of between 1 % and 5 %
 - Adjusted EBIT slightly below previous year in a range of € 240 million to € 278 million
 - Target adjusted EBIT margin of between 4.6 % and 5.1 %

Earnings, Financial, and Asset Position

The HORNBACH Baumarkt AG Group further increased its sales compared with the previous year's record figure in the first quarter of 2021/22 (March 1 to May 31, 2021). Despite massive restrictions on sales and cold spring weather, consolidated sales grew by 5.6% to € 1,575.8 million (2020/21: € 1,492.1 million). On a like-for-like basis and net of currency items, consolidated sales rose by 4.3% in the first three months. The pandemic-related restrictions imposed on large parts of the store network meant that higher store operating and logistics expenses were required to satisfy ongoing high demand from customers for DIY product ranges. Operating earnings adjusted for non-operating earnings items (adjusted EBIT) nevertheless maintained their ground, falling by just 3.9% to € 153.8 million (2020/21: € 160.0 million). Earnings per Baumarkt share stood at € 3.29 at the end of the first three months (2020/21: € 3.45).

Impact of the coronavirus pandemic on the DIY retail business

The company's sales performance in the first quarter of 2021/22 was influenced by restrictions on sales, which varied from region to region and were more far-reaching overall than in the previous year's quarter. The only countries in which there were no notable restrictions were Luxembourg (1 store), Romania (7), Sweden (7), and Switzerland (7). In the other countries in which we operate, stationary sales to private customers were at times not allowed, or restricted to specific product ranges, such as those at our garden centers, or permitted at the whole store only after prior arrangement of an appointment (click & meet). Compared with the previous year, our largest country markets of Germany and the Netherlands in particular were affected by stricter lockdowns. By contrast, Switzerland, Austria, and Slovakia benefited from positive base effects due to less strict restrictions on sales compared with the previous year, or to no restrictions at all.

As a rule, consumers were still very willing to invest in home improvement and renovation projects or in repair work. Even though stationary stores were subject to regulations which varied in strictness from region to region, the company witnessed persistently high demand from customers across all of its distribution channels.

Reference is also made in this respect to the explanatory comments provided in the report on events after the balance sheet date in the notes to the 2020/21 Annual Report (Note 36).

In summary, it can be established that, on average, only around half of HORNBACH's DIY stores and garden centers were fully open to private customers in the first quarter, which meant that demand shifted to the online shops or to click & collect options. Only on June 7, 2021 were all HORNBACH stores in Germany able to open without restriction once again. In other European countries, all stores have been in normal operations since May 10, 2021. The table below provides an overview of the duration of restrictions on sales:

Country/Federal State	Period of closure for private customers	Number of stores
Germany	3.1. to 5.31.2021: Incidence-based closures of parts of store network – garden centers mostly open	98
Other European Countries		65
Austria	3.31. to 5.2.2021: Incidence-based closures of parts of store network	14
Czech Republic	3.1. to 5.9.2021: garden centers open	10
Luxembourg	No restrictions on sales	1
Netherlands	3.1. to 4.27.2021	15
Romania	No restrictions on sales	7
Slovakia	3.1. to 4.18.2021: garden centers open	4
Sweden	No restrictions on sales	7
Switzerland	No restrictions on sales	7
Group		163

Development in HORNBACH's store network

We did not open any new DIY stores with garden centers in the first quarter of 2021/22. As of May 31, 2021, the HORNBACH Baumarkt AG Group therefore operated 163 retail outlets (February 28, 2021: 163) with total sales areas of 1.92 million m², of which 98 locations in Germany and 65 in other European countries.

Seasonal and calendar-related factors

Overall, weather conditions in Europe in the spring months were less favorable for implementing projects at home and in the garden than in the previous year. While in many areas March was characterized overall by mild temperatures, low volumes of precipitation, and a great deal of sunshine, the months of April and May 2021 brought unusually low temperatures and few hours of sunshine.

In the first quarter (Q1) of 2021/22, there was a group-wide average of 0.6 business days more than in the previous year's quarter. As many of our stores were severely restricted due to the coronavirus crisis, but not closed entirely, the number of business days has not been adjusted to account for the impact of the coronavirus.

Sales performance

All in all, the negative impact of sales restrictions was more than offset thanks to very high demand at those stores that were open and the online shops (including click & collect). This way, the company even managed to exceed the record sales reported for the previous year's period. **Consolidated sales** grew by 5.6% to € 1,575.8 million in the first quarter of 2021/22 (2020/21: € 1,492.1 million). Very strong sales growth in March (+29.3%) contrasted with slight reductions in sales due to weather conditions in April (-2.9%) and May (-2.4%). Online sales (including click & collect) grew to € 375.0 million, up 71.2% on the previous year's quarter. On a twelve-month rolling basis, online sales therefore passed the one billion euro mark for the first time and reached a 19.4% share of total sales.

On a like-for-like basis and net of currency items [→ [Brief Glossary](#) on Page 8], consolidated sales rose by 4.3% in the first quarter (2020/21: 17.5%). Including currency items for non-euro countries, namely the Czech Republic, Romania, Sweden, and Switzerland, we achieved group-wide like-for-like growth of 4.5% (2020/21: 17.6%).

Key data on the geographical sales performance in the first quarter of 2021/22 (March 1 to May 31, 2021) is as follows:

■ Germany

The Germany region managed to maintain the previous year's high level of sales, and that even though a quarterly average of around 60% of its locations were affected by restrictions on sales. One particularly great challenge affecting operating processes at the stores and logistics resulted from the volatility in the rules and regulations adopted by individual federal states to contain the pandemic. Regional regulations initially permitted most of the store network to re-open its doors from early March onwards. From April 23, 2021, however, the nationwide Federal Infection Protection Act ("emergency brake") led to restrictions on sales to private customers that affected almost all of the store network. The only areas exempted were the garden divisions. Furthermore, from specified incidence rates upwards, only click & meet sales, and in the least favorable case, only click & collect sales were permitted. Thanks to strong demand at partly open stores and in our online retail business, we nevertheless managed to increase net sales by 0.8% to € 814.9 million (2020/21: € 808.4 million). On a like-for-like basis, we maintained the previous year's level of sales. HORNBACH clearly outperformed its competitors during the lockdown months and gained further market share. In the first quarter of the 2021 calendar year (January to March), our head start over the German DIY sector stood at around 22 percentage points. In the months of April and May 2021, our outperformance amounted to more than ten percentage points.

■ Other European Countries

Developments in the Other European Countries region were shaped on the one hand by strong sales growth in those regions not affected by restrictions, or only to a lesser extent than in the previous year, and on the other hand by a reduction in sales in those regions affected by strict lockdowns. Very high ongoing demand across all countries meant that the positive effects outweighed the negative. Overall, net sales in Other European Countries grew by 11.3% to € 760.9 million (2020/21:

€ 683.7 million). The international share of consolidated sales therefore rose year-on-year from 45.8% to 48.3%. On a like-for-like basis, sales increased by 9.5% excluding and by 10.0% including currency items.

Earnings performance

The following comments refer to the earnings performance of the HORNBACH Baumarkt AG Group. Information about the "Retail" and "Real Estate" segments can be found in the segment report on Page 14.

All in all, we can report a very pleasing earnings performance for the first quarter of 2021/22. Earnings were mainly driven by the highly dynamic sales performance at our stores and online shops. This offers impressive evidence that consumers continue to attach great importance to bringing their homes up to scratch and making them more secure. Thanks to our interconnected retail strategy, we were well able to satisfy the persistently high demand from customers for DIY product ranges, and that even in the extreme conditions resulting from the pandemic. Due to the coronavirus-related restrictions in force across large parts of the regions in which we operate, however, this involved greater input in terms of store operations and logistics. In particular, the jump in click & collect sales during the restrictions on sales to private customers in our stationary business required a higher level of personnel input. Moreover, the further year-on-year increase in order volumes in the online shops led to higher expenses for fulfillment services (B2C logistics). Earnings were additionally held back by base effects in marketing and general operating expenses. During the initial impact of the first wave of the pandemic in spring 2020, for example, we significantly scaled back expenditure on store maintenance measures and advertising. In the first quarter of the 2021/22 financial year, by contrast, we caught up with a whole series of activities previously postponed and returned expenses to normal levels to maintain the attractiveness of our stores to customers.

Key data on the earnings performance in the first quarter of 2021/22 is as follows:

- Gross profit rose by 4.4% to € 570.1 million in the first quarter of 2021/22 (2020/21: € 545.9 million). The gross margin eased slightly from 36.6% to 36.2%. The moderate decline in the **gross margin** [↪ [Brief Glossary](#) on Page 9] was mainly due to the structural change in the product range resulting from the marked increase in online sales as a share of total sales. Higher commodity prices and transport costs for international merchandise procurement were largely offset by adjusting retail prices.
- Selling and store expenses rose by 8.3% to € 358.5 million in the period under report (2020/21: € 330.9 million). The **store expense ratio** [↪ [Brief Glossary](#) on Page 9] increased by 60 base points to 22.8%. General and administration expenses rose by 2.8%, and thus less rapidly than sales. As a result, the **administration expense ratio** [↪ [Brief Glossary](#) on Page 9] decreased from 3.9% to 3.8%. Due to the Group's expansion, pre-opening expenses rose from € 0.4 million to € 2.7 million.
- **EBITDA** [↪ [Brief Glossary](#) on Page 8] decreased by 2.3% to € 211.0 million (2020/21: € 216.0 million).
- Consolidated operating earnings (**EBIT**) showed a slight reduction of 3.9% to € 153.8 million (2020/21: € 160.0 million). As in the previous year, there were no non-operating earnings items in the first quarter of 2021/22. **Adjusted EBIT** therefore corresponds to EBIT.
- Due above all to negative currency items, **net financial expenses** fell by 11.5% to minus € 14.6 million (2020/21: minus € 13.1 million).
- **Consolidated earnings before taxes (EBT)** [↪ [Brief Glossary](#) on Page 8] showed a slight reduction of 5.3% from € 146.9 million to € 139.1 million.
- **Consolidated net income** for the quarter under report stood at € 104.8 million (2020/21: € 109.8 million). **Earnings per share** are reported at € 3.29 for the first quarter of 2021/22 (2020/21: € 3.45).

Financial and asset position

Due to the Group's expansion, investments rose to € 53.0 million in the first three months of the current 2021/22 financial year (2020/21: € 23.1 million). At € 37.6 million, around 71 % of investments were channeled into land and buildings (2020/21: € 16.4 million), while the remainder involved plant and office equipment at new and existing stores, as well as intangible assets (mainly IT software).

The inflow of funds from operating activities fell from € 380.9 million in the previous year's quarter to € 238.4 million in the first quarter of 2021/22. This was due to a significantly lower inflow of funds from changes in working capital, which dropped from € 213.9 million to € 71.6 million. In the previous year's quarter trade payables had risen by € 58.5 million (inflow of funds), while in Q1 2021/22 the company brought forward the settlement of supplier liabilities in order to avoid negative interest rates, leading to an outflow of funds of € 53.3 million. This resulted in a net reduction in the inflow of funds by € 111.8 million. Furthermore, the earlier payment of employee bonuses (May 2021 as against July 2020) led to an additional outflow of funds in Q1 2021/22 (2020/21: bonuses only paid in Q2).

The figure for the quarter under report includes depreciation of € 38.5 million for right-of-use assets (2020/21: € 37.5 million). Due in particular to investments made in new stores, the outflow of funds for investing activities amounted to minus € 52.4 million (2020/21: minus € 22.9 million). The outflow of funds for financing activities, amounting to minus € 31.5 million (2020/21: minus € 34.9 million), includes outgoing payments of € 36.0 million for the repayment of current and non-current lease liabilities (2020/21: € 34.8 million). Information about the financing and investing activities of the HORNBACH Baumarkt AG Group can be found in the cash flow statement on Page 13.

Accompanied by continued stability in the balance sheet structure, total assets grew to € 3,940.4 million as of May 31, 2021, up 4.7 % compared with the balance sheet date on February 28, 2021. This was mainly due to the sharp increase in cash and cash equivalents (plus € 156 million) and to slightly higher property, plant and equipment. Shareholders' equity as posted in the balance sheet rose to € 1,367.3 million, up 9.0 % compared with the previous reporting date. The **equity ratio** [[↪ Brief Glossary on Page 9](#)] rose slightly and, at 34.7 %, is still at a very good level (February 28, 2021: 33.3 %). **Net financial debt** [[↪ Brief Glossary on Page 9](#)] including current and non-current lease liabilities pursuant to IFRS 16 fell by 9.5 % from € 1,525.2 million to € 1,381.0 million as of May 31, 2021. Excluding current and non-current lease liabilities, the Group reported net financial debt of € 108.6 million as of May 31, 2021 (February 28, 2021: € 256.5 million).

Other Disclosures

Employees

The HORNBACH Baumarkt AG Group had a total of 23,085 employees across Europe at the reporting date on May 31, 2021 (February 28, 2021: 22,136).

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.

Outlook

The outlook is subject to macroeconomic risks that remain difficult to assess in connection with the coronavirus crisis. These are accompanied by ongoing significant uncertainties with regard to commodity price rises and supply bottlenecks on global procurement markets. These risks are currently countered by visible progress in the measures taken across Europe to combat the pandemic. We still expect that, following a slowdown due to summer vacations, the increased level of customer demand for construction and DIY product ranges seen in the European countries in which we operate since the outbreak of the pandemic will continue in the coming quarters as well.

Against this backdrop, we can specify the full-year sales and earnings forecast for 2021/22 published on May 27, 2021 in greater detail. In respect of the **sales forecast**, we believe that the HORNBACH Baumarkt AG Group's sales are likely to perform slightly better than in the previous year and show growth in a range of around 1 % to 5 % (2020/21 financial year: € 5,117 million).

With regard to the **earnings forecast**, we currently expect adjusted consolidated operating earnings (adjusted EBIT) to fall slightly short of the record figure reported for the 2020/21 financial year and to range between € 240 million and € 278 million. We aim to achieve an adjusted EBIT margin in a range of 4.6 % to 5.2 % in 2021/22. This would significantly exceed the figure for the financial year prior to the coronavirus pandemic (2019/20: 4.1 %) and the average for the past 20 years (3.6 %).

Brief Glossary of Key Performance Figures

In this quarterly statement we also refer to the following key performance figures that are not defined under IFRS to comment on our asset, financial, and earnings 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.

<p>Like-for-like sales net of currency items (change in %)</p>	<p><i>Alternative key performance figure to measure the operating business performance and indicate the organic growth achieved by our retail activities (stationary stores and online shops)</i></p>	<p>The calculation of like-for-like sales is based on all DIY stores with garden centers that have been in operation for at least one full year. No account is taken of stores newly opened, closed, or subject to substantial conversion measures in the past twelve months. Like-for-like sales are calculated excluding sales tax (net) and based on the local currency for the reporting period under comparison (currency-adjusted). The rate of change in like-for-like sales net of currency items is therefore a performance indicator independent of exchange rate factors. On a euro basis, like-for-like sales are also calculated including currency items for those countries in our European store network that have currencies other than the euro.</p>
<p>EBITDA</p>	<p><i>Alternative key performance figure to comment on earnings performance</i></p>	<p>EBITDA stands for earnings before interest, taxes, depreciation and amortization (on property, plant and equipment and on intangible assets). EBITDA is a cash flow-based figure, as depreciation and amortization, which do not impact on liquidity, are added to operating earnings (EBIT).</p>
<p>Adjusted EBIT</p>	<p><i>Major key performance figure to comment on operating earnings performance</i></p>	<p>To calculate this key figure, EBIT is adjusted to exclude non-operating earnings items. Non-operating expenses (e.g. impairment losses on assets, expenses due to discontinuation of projects) are added to EBIT, while non-operating income (e.g. income from disposals of properties, income from write-ups of assets impaired in previous years) are deducted. Adjusted EBIT is therefore particularly useful for management purposes and for comparing the operating earnings performance over time or in forecasts.</p>
<p>EBT</p>	<p><i>Alternative key performance figure to comment on operating earnings performance</i></p>	<p>Given IFRS 16 lease accounting, consolidated earnings before taxes (EBT) are becoming increasingly important as an alternative key performance figure. EBT is the key earnings figure that shows the impact on the income statement of IFRS 16 effects; these comprise depreciation of right-of-use assets and interest expenses for financial debt.</p>

Cost ratios

Alternative key performance figures for the development in store, pre-opening, and administration expenses as a percentage of net sales

The **store expense ratio** is obtained by dividing selling and store expenses by net sales. Selling and store expenses comprise those costs incurred in connection with the operation of stationary DIY stores with garden centers and the online shops. They mainly include personnel expenses, advertising expenses, and general operating expenses (such as transport expenses, service and maintenance), as well as depreciation and amortization.

The **pre-opening expense ratio** is calculated by dividing pre-opening expenses by net sales. Costs incurred in connection with and upon the construction of a new stationary DIY store with a garden center through to opening are reported as pre-opening expenses. Pre-opening expenses largely comprise personnel expenses, costs of supplies and disposal, and administration expenses.

The **administration expense ratio** is the quotient of administration expenses and net sales. Administration expenses include all administrative expenses incurred in connection with the operation or construction of stationary DIY stores with garden centers and with the development and operation of online retail (e-commerce) and which cannot be directly allocated to such. They mainly consist of personnel expenses, legal and advisory expenses, depreciation and amortization, costs of premises, and IT, travel, and vehicle expenses. As well as purely administrative expenses, they also include project-related and digitalization expenses.

Equity ratio

Alternative key performance figure to comment on asset position

The equity ratio is derived by dividing shareholders' equity as reported in the balance sheet (equity posted) by total capital (balance sheet total).

Net financial debt

Alternative key performance figure to comment on financial position

This key figure is calculated as total current and non-current financial debt less cash and cash equivalents and – where applicable – less current financial assets.

Gross margin

Further key performance figure to comment on earnings performance

The gross margin is defined as gross profit (net balance of sales and cost of goods sold) as a percentage of net sales. This key management figure is chiefly influenced by developments in procurement and retail prices, changes in the product mix, and currency items resulting from international procurement.

Income Statement

€ million	1 st Quarter 2021/22	1 st Quarter 2020/21	Change in %
Sales	1,575.8	1,492.1	5.6
Cost of goods sold	1,005.7	946.2	6.3
Gross profit	570.1	545.9	4.4
Selling and store expenses	358.5	330.9	8.3
Pre-opening expenses	2.7	0.4	>100
General and administration expenses	59.5	57.8	2.8
Other income and expenses	4.4	3.2	37.1
Earnings before interest and taxes (EBIT)	153.8	160.0	(3.9)
Interest and similar income	0.0	0.1	(81.5)
Interest and similar expenses	14.2	13.5	5.1
Other financial result	(0.5)	0.4	>-100
Net financial expenses	(14.6)	(13.1)	11.5
Consolidated earnings before taxes	139.1	146.9	(5.3)
Taxes on income	34.4	37.0	(7.2)
Consolidated net income	104.8	109.8	(4.6)
Basic/diluted earnings per share (€)	3.29	3.45	(4.6)

Balance Sheet

Assets	May 31, 2021		February 28, 2021	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	17.0	0.4	17.0	0.5
Property, plant, and equipment	1,181.0	30.0	1,145.1	30.4
Investment property	7.8	0.2	7.9	0.2
Right-of-use assets	1,177.0	29.9	1,175.8	31.2
Financial assets	6.7	0.2	6.7	0.2
Other non-current receivables and assets	1.7	0.0	1.7	0.0
Deferred tax assets	10.9	0.3	11.3	0.3
	2,402.1	61.0	2,365.4	62.8
Current assets				
Inventories	940.0	23.9	944.6	25.1
Trade receivables	18.4	0.5	14.6	0.4
Contract assets	1.1	0.0	1.2	0.0
Other current assets	83.0	2.1	98.3	2.6
Income tax receivables	5.5	0.1	6.5	0.2
Cash and cash equivalents	490.4	12.4	334.6	8.9
	1,538.3	39.0	1,399.8	37.2
	3,940.4	100.0	3,765.2	100.0

Equity and liabilities	May 31, 2021		February 28, 2021	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	95.4	2.4	95.4	2.5
Capital reserve	143.6	3.6	143.6	3.8
Revenue reserves	1,128.3	28.6	1,015.9	27.0
	1,367.3	34.7	1,254.9	33.3
Non-current liabilities				
Non-current financial debt	541.8	13.7	541.6	14.4
Non-current lease liabilities	690.7	17.5	675.4	17.9
Non-current lease liabilities related to affiliated companies	440.2	11.2	453.6	12.0
Pensions and similar obligations	15.9	0.4	19.1	0.5
Deferred tax liabilities	10.0	0.3	10.4	0.3
Other non-current liabilities	39.7	1.0	39.6	1.1
	1,738.2	44.1	1,739.6	46.2
Current liabilities				
Current financial debt	57.2	1.5	49.5	1.3
Current lease liabilities	83.4	2.1	82.2	2.2
Current lease liabilities related to affiliated companies	58.1	1.5	57.5	1.5
Trade payables	239.8	6.1	293.1	7.8
Contract liabilities	62.5	1.6	44.1	1.2
Other current liabilities	154.1	3.9	91.1	2.4
Income tax liabilities	48.7	1.2	25.2	0.7
Other provisions and accrued liabilities	131.1	3.3	127.8	3.4
	834.9	21.2	770.6	20.5
	3,940.4	100.0	3,765.2	100.0

Statement of Changes in Equity

1 st Quarter 2020/21 € million	Share capital	Capital reserve	Cumulative currency translation	Other revenue reserves	Total equity
Balance at March 1, 2020	95.4	143.6	47.8	845.2	1,132.1
Consolidated net income				109.8	109.8
Actuarial gains and losses on defined benefit plans, net after taxes				5.5	5.5
Exchange differences arising on the translation of foreign subsidiaries			(10.4)		(10.4)
Total comprehensive income			(10.4)	115.3	104.9
Balance at May 31, 2020	95.4	143.6	37.4	960.5	1,237.1

1 st Quarter 2021/22 € million	Share capital	Capital reserve	Cumulative currency translation	Other revenue reserves	Total equity
Balance at March 1, 2021	95.4	143.6	37.9	978.0	1,254.9
Consolidated net income				104.8	104.8
Actuarial gains and losses on defined benefit plans, net after taxes				3.0	3.0
Exchange differences arising on the translation of foreign subsidiaries			4.6		4.6
Total comprehensive income			4.6	107.7	112.4
Balance at May 31, 2021	95.4	143.6	42.5	1,085.8	1,367.3

Cash Flow Statement

€ million	1 st Quarter 2021/22	1 st Quarter 2020/21
Consolidated net income	104.8	109.8
Depreciation and amortization of property, plant, and equipment and intangible assets	18.8	18.5
Depreciation of right-of-use assets	38.5	37.5
Change in provisions	0.3	0.4
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.2)	0.0
Change in inventories, trade receivables and other assets	18.6	2.3
Change in trade payables and other liabilities	53.0	211.6
Other non-cash income/expenses	4.7	0.7
Cash flow from operating activities	238.4	380.9
Proceeds from disposal of non-current assets and of non-current assets held for sale	0.6	0.2
Payments for investments in property, plant, and equipment	(52.0)	(22.4)
Payments for investments in intangible assets	(0.9)	(0.7)
Cash flow from investing activities	(52.4)	(22.9)
Proceeds from taking up long-term debt	50.0	0.0
Repayment of long-term debt	(45.5)	0.0
Repayment of current and non-current lease liabilities	(36.0)	(34.8)
Cash flow from financing activities	(31.5)	(34.9)
Cash-effective change in cash and cash equivalents	154.5	323.1
Change in cash and cash equivalents due to changes in exchange rates	1.3	(2.4)
Cash and cash equivalents at March 1	334.6	302.2
Cash and cash equivalents at May 31	490.4	622.8

Segment Report

1st Quarter 2021/22 € million 1st Quarter 2020/21 € million	Retail	Real Estate	Corporate Functions	Consolidation	HORNBACH Baumarkt AG Group
Segment sales	1,575.5	72.0	0.0	(71.7)	1,575.8
	1,490.8	70.8	0.0	(69.5)	1,492.1
Sales to third parties	1,575.4	0.0	0.0	0.0	1,575.4
	1,490.9	0.0	0.0	0.0	1,490.9
Rental income from third parties	0.0	0.3	0.0	0.0	0.3
	0.0	1.2	0.0	0.0	1.2
Rental income from affiliated companies	0.0	71.7	0.0	(71.7)	0.0
	0.0	69.6	0.0	(69.6)	0.0
EBIT	128.6	29.7	(4.5)	0.0	153.8
	137.1	28.9	(6.0)	0.0	160.0
of which: depreciation and amortization	13.7	41.2	2.3	0.0	57.3
	12.1	41.4	2.5	0.0	56.0
Segment earnings (adjusted EBIT)	128.6	29.7	(4.5)	0.0	153.8
	137.1	28.9	(6.0)	0.0	160.0
EBITDA	142.3	70.9	(2.2)	0.0	211.0
	149.3	70.3	(3.5)	0.0	216.0
Segment assets	1,433.8	2,180.7	309.5	0.0	3,924.1
	1,285.7	2,108.8	431.8	0.0	3,826.3

Reconciliation in € million	1 st Quarter 2021/22	1 st Quarter 2020/21
Segment earnings (adjusted EBIT)	153.8	160.0
Net financial expenses	(14.6)	(13.1)
Consolidated earnings before taxes	139.1	146.9

FINANCIAL CALENDAR

June 25, 2021	Quarterly Statement: 1 st Quarter of 2021/22 as of May 31, 2021
July 7, 2021	Annual General Meeting of HORNBACH Baumarkt AG (virtual)
September 30, 2021	Half-Year Financial Report 2021/22 as of August 31, 2021
December 22, 2021	Quarterly Statement: 3 rd Quarter of 2021/22 as of November 30, 2021

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DISCLAIMER

This interim report contains forward-looking statements based on assumptions and estimates made by the Board of Management of HORNBACH. Statements referring to the future are always only valid at the time at which they are made. Although we assume that the expectations reflected in these forecast statements are realistic, the company can provide no guarantee that these expectations will also turn out to be accurate. The assumptions may involve risks and uncertainties which could result in actual results differing 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 a lack of acceptance of new sales formats or new product ranges, as well as changes to the corporate strategy. HORNBACH has no plans to update the forecast statements, neither does it accept any obligation to do so.