

Hornbach Group increases net sales by 5.1 percent after strong year-end business

Trading statement for 2015/2016: With consolidated sales of Euro 3,755 million, Hornbach meets 2015/2016 sales forecast / DIY stores with garden centers post like-for-like growth of 2.6% / Growth accelerates in Germany and abroad in fourth quarter

Neustadt/Weinstrasse, March 22, 2016.

The Hornbach Group (HORNBACH Holding AG & Co. KGaA Group) generated pleasing sales growth in the past 2015/2016 financial year (March 1, 2015 to February 29, 2016), benefiting from a strong performance at the end of the period. Based on preliminary figures, consolidated net sales grew 5.1% to Euro 3,755 million and met the annual forecast. HORNBACH Baumarkt AG, the largest operating subgroup which operated 153 DIY megastores and garden centers in nine countries across Europe at the balance sheet date on February 29, 2016 (2014/2015: 146), increased its sales, including those at newly opened stores, by 5.3% to Euro 3,535 million. On a like-for-like basis and net of currency items, group-wide sales at the DIY stores and garden centers (DIY) increased by 2.6%. This growth was driven above all by the international stores. The international share of sales within the Baumarkt subgroup most recently amounted to 43.1% (2014/2015: 41.4%). The Hornbach Baustoff Union GmbH subgroup improved its sales by 2.4% to Euro 218 million, thus returning to its growth trajectory after a dip of 1.1% in the previous year.

Germany: growth at high previous year's level – setback in Q3 now left behind

The standard set for the German DIY retail business was high: based on substantial expansion-driven sales growth of 7.6% in the previous year, the 99 Hornbach DIY stores and garden centers operated by the HORNBACH Baumarkt AG subgroup in Germany increased their sales by 2.3% to Euro 2,011 million in the 2015/2016 financial year. On a like-for-like basis, i.e. excluding stores newly opened or closed in the past twelve months, sales in Germany grew by 0.8% in the year under report, as against plus 5.5% one year earlier.

“After the setback in the third quarter, we can now send out a clear signal – Germans’ surprisingly marked reluctance to consume in November 2015 did not continue at our DIY stores in the fourth quarter. With like-for-like sales growth of 2.5% in Germany in the last three months, we managed to escape the temporary dip in sales and successfully asserted ourselves in the challenging competitive climate in the stationary and online businesses”, commented Albrecht Hornbach, Chairman of the Board of Management of Hornbach Management AG (general partner of Hornbach Holding AG & Co. KGaA). “Here, we are increasingly benefiting from our multichannel strategy. Customers expect ever greater consistency and integration of stationary and digital shopping experiences. Here, we are excellently positioned within the DIY store sector.”

Other European countries: regaining old strength

The Group’s powerhouse in the 2015/2016 financial year involved the Hornbach DIY stores with garden centers in the eight countries outside Germany. Driven among other factors by five new store openings, DIY sales in other European countries surged 9.6% (2014/2015: 5.0%) to Euro 1,524 million. Having said this, like-for-like sales net of currency items at Hornbach’s international stores also gained notable momentum, with adjusted year-on-year sales growth of 4.9% in 2015/2016. On a like-for-like basis, the international stores thus outperformed their German counterparts for the first time since the 2008/2009 financial year.

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Like-for-like sales performance at Hornbach DIY megastores with garden centers * (in percent)

2015/2016 financial year 2014/2015 financial year	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
Group	-1.1	4.0	2.9	5.6	2.6
	14.6	-1.0	1.0	2.4	4.4
Germany	-2.4	4.0	-0.2	2.5	0.8
	19.4	-1.0	1.4	1.8	5.5
Other European countries	0.7	4.0	7.0	9.7	4.9
	8.2	-1.0	0.6	3.4	2.8

* excluding currency items

“Hornbach has regained its old strength in its international business and gained additional market share. Like-for-like growth rates climbed from quarter to quarter. Between December 2015 and February 2016 alone, like-for-like sales net of currency items even showed double-digit growth in all countries but one outside Germany”, remarked Albrecht Hornbach. Among other factors, this also reflected favorable macroeconomic conditions across Europe for consumer spending and construction activities. “Our retail format enables us to score highly, especially among customers planning larger-scale construction or renovation projects.”

The Hornbach Baustoff Union GmbH subgroup also contributed to the Hornbach Group’s sales growth once again in 2015/2016. Having declined by 1.1% in the previous year’s period, sales at the subgroup’s unchanged total of 26 builders’ merchants outlets rose 2.4% to Euro 218 million in the year under report.

Based on the initial preliminary and unaudited annual results, the current earnings forecast for the HORNBAACH Baumarkt AG subgroup can be confirmed. Largely due to non-operating, one-off write-downs at the HORNBAACH Baustoff Union GmbH subgroup, the earnings forecast for the HORNBAACH Holding AG & Co. KGaA Group has been adjusted slightly. Reference is made in this respect to the separate ad-hoc announcement published today by the HORNBAACH Group.

Details of the earnings performance and the annual financial statements will be presented at the Annual Results Press Conference on May 24, 2016.

Preliminary key figures HORNBAACH Holding AG & Co. KGaA Group (in Euro million unless otherwise stated)	2015/2016 financial year	2014/2015 financial year	Change in %
Net sales at overall Group	3,755	3,572	5.1
Net sales at HORNBAACH Baumarkt AG subgroup	3,535	3,357	5.3
of which in Germany	2,011	1,966	2.3
of which in other European countries	1,524	1,390	9.6
Net sales at Hornbach Baustoff Union GmbH subgroup	218	213	2.4
Number of DIY stores	153	146	4.8
Sales areas as per BHB (000 m ²)	1,771	1,704	3.9
Total workforce of HORNBAACH Group ¹⁾	17,433	16,455	5.9

¹⁾ head count at balance sheet date on February 29 (28)

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