

26th of October 2023

Europe | Retail

DR. KALLIWODA
RESEARCH GmbH

Initiative Coverage

BUY

Target-Price: 80 EUR

Industry: Retail (Home Improvement)
Country: Germany
ISIN: DE0006083405
Reuters: HBH.DE
Bloomberg: HBH:GR
Website: www.hornbach.de

Last price:		57.25
	High	Low
Price 52 weeks:	84.95	56.55
Market cap. (EURm)		920.00
No of shares (m)		15.98
Average volume (shares)		18.194

Shareholders

HORNBAACH Familien- Treuhandelsg	37.50%
Finda Oy (Finland)	12.64%
M&G plc (United Kingdom)	6.77%

Free float	43.09%
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Performance

4 weeks	-2.14%
13 weeks	-20.10%
26 weeks	-23.56%
52 weeks	-11.17%
YTD	-27.02%

Dividend

	in EUR	in %
2021	1.98	3.46%
2022	2.40	4.19%
2023E	2.47	4.31%
2024E	2.59	4.52%

Chart: 12 Months



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HORNBAACH Holding AG & Co. KGaA

A company you can build on

- A new market in Nijmegen, Netherlands, opened on 12/07.
- The general meeting confirmed the supervisory board with a large majority and approved a dividend of 2.40 euros.
- HORNBAACH once again achieves the highest sales per square meter in the German DIY industry.
- The revenue of HORNBAACH Holding AG & Co. KGaA is expected to be at or slightly below the previous year's level (6,263 million euros).
- The adjusted EBIT is expected to decrease by -10% to -25% compared to the level of 290.1 million euros in FY 2022/23.
- CAPEX will remain constant at 203.5 million euros compared to the previous year. These funds are primarily allocated to the construction of new markets, outfitting of branches, renovation and expansion of existing markets, and IT infrastructure.
- 61% owned real estate: financial and operational flexibility.
- Based on our DCF model, we have determined a fair value of 72.02 euros and a target price of 79.96 euros.

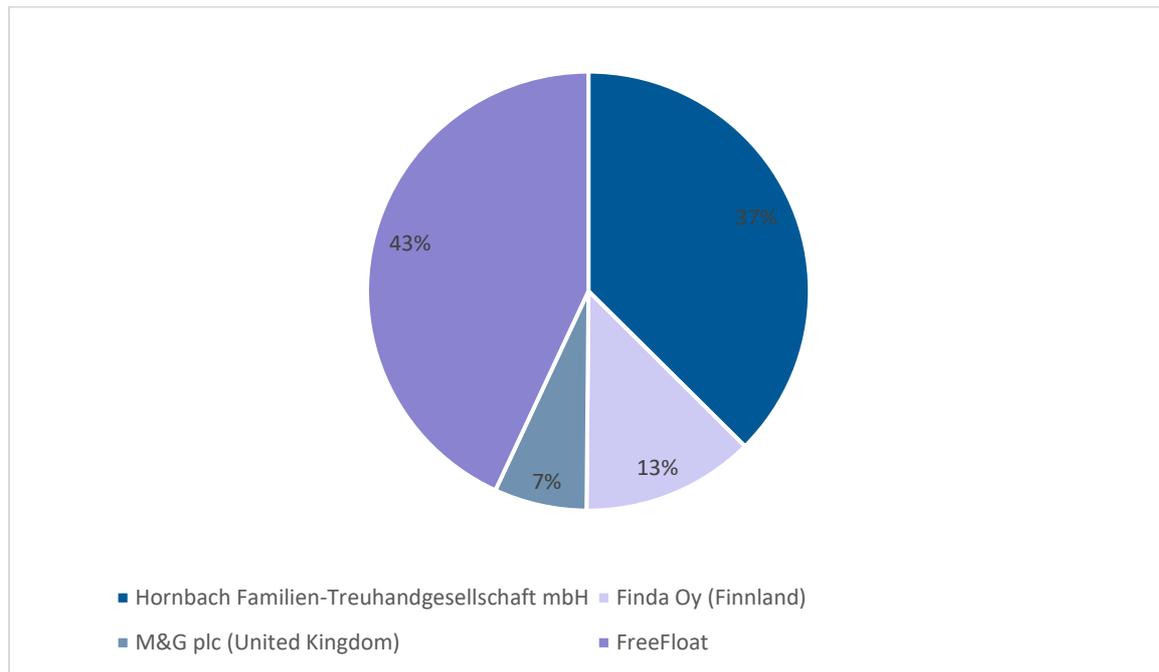
Figures

in EUR Mio.	2021	2022	2023E	2024E	2025E	2026E
Sales	5,874.96	6,263.13	6,196.82	6,368.74	6,423.37	6,540.02
EBITDA	559.88	482.26	545.32	552.59	539.06	563.94
EBIT	354.97	258.50	160.82	118.13	136.54	100.71
Net income	199.66	157.07	85.32	50.60	64.53	36.72
EPS	12.48	9.83	5.34	3.17	4.04	2.30
Tangible BVPS	60.79	67.43	72.81	73.74	76.52	77.92
RoE	11.34%	8.59%	4.42%	2.54%	3.15%	1.75%
EBIT margin	6.04%	4.13%	2.60%	1.85%	2.13%	1.54%
P/E	0.26x	0.33x	0.60x	1.02x	0.80x	1.40x
P/Tangible BVPS	0.05x	0.05x	0.04x	0.04x	0.04x	0.04x
EV/EBITDA	-0.51x	-0.60x	-0.53x	-0.52x	-0.53x	-0.51x

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1 Shareholder structure



2 Company History: 146 Years of HORNBACK

In 1877, the master roofer Michael Hornbach founded a craftsman's workshop in Landau in der Pfalz. In 1900, his son Wilhelm Hornbach expanded it to include a building materials business. In 1968, the great-grandson of the company's founder, Otmar Hornbach, opened Europe's first combined construction and garden market in Bornheim. Albrecht Hornbach serves as the CEO of HORNBACK Management AG and as the Chairman of the Board of Directors of HORNBACK Baumarkt AG. Jan and Nils Hornbach, along with two other family members, have also joined the board of HORNBACK Baumarkt AG. Additionally, Christa Theurer, who oversees operations in Germany, is part of the board.

The company first went public as a joint-stock corporation in 1987. In 1993, as part of the second public offering, HORNBACK Holding AG (now: HORNBACK Holding AG & Co. KGaA) and Hornbach-Baumarkt-AG (now spelled as Hornbach Baumarkt AG) were established. At the end of February 2022, the delisting of HORNBACK Baumarkt AG took place.

3 Equity Story & Growth Drivers

The HORNBACH Group, under the parent company HORNBACH Holding AG & Co. KGaA, is a diverse conglomerate. A significant part of it is HORNBACH Baumarkt AG, which encompasses the European retail sector in the do-it-yourself (DIY) and home improvement market through its hardware stores and garden centers, along with online DIY retail. In addition, there's HORNBACH Baustoff Union GmbH, focusing on regional building material retail, and HORNBACH Immobilien AG, responsible for real estate and site development. HORNBACH Holding AG & Co. KGaA is publicly listed, and its shares are traded on the Prime Standard of the German Stock Exchange as well as in the SDAX.

Investing in the HORNBACH Group means investing in an established family-owned company with an impressive 146-year history and promising growth potential for the future.

Efficient and scalable organization: The HORNBACH Group has developed an organically grown, homogeneous network of large-scale stores. Approximately 61% of the properties are owned by the company, providing both financial and operational flexibility. The concept of "Interconnected Retail" (ICR) is implemented through online shops and apps in nine countries. A scalable B2B and B2C logistics network complements this aspect.

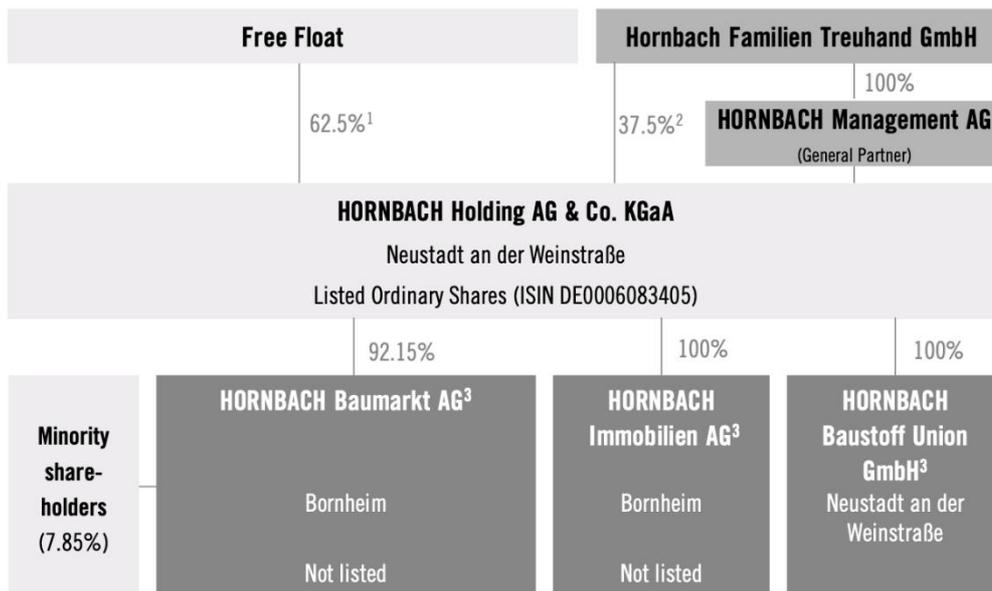
Attractive customer offering: The Group focuses on project and professional customers. It aims for price leadership in all business regions and enjoys a leading position in customer satisfaction in significant countries. A seamless "customer journey" across all distribution channels is ensured.

Successful organic growth strategy: The HORNBACH Group emphasizes physical expansion through the opening of additional markets. Investments in the "Interconnected Retail" (ICR) sector include online shops, apps, and virtual reality. Sustainable, space-adjusted growth above the industry average is targeted, and the Group achieves the highest revenue per square meter in the German DIY industry.

Structural growth trends: Developments like "Cocooning" and increased remote working (home office) have a positive influence on growth. Furthermore, renovations focusing on energy efficiency, CO2 reduction, barrier-free living, and the preservation of older buildings in Europe present additional opportunities. Growth possibilities also extend beyond the core DIY market, such as in the field of craftsmen and "do-it-for-me" services.

4 Company Profile – Business Areas

The HORNBACK Holding AG & Co. KGaA serves as the parent company of the entire HORNBACK Group and does not engage in operational activities itself. Its primary function is to manage subsidiary companies. The most significant operational segment is HORNBACK Baumarkt AG, which coordinates the European retail business for do-it-yourself (DIY) products in construction and garden markets, as well as online retail in this sector. The HORNBACK Group additionally encompasses the business divisions of HORNBACK Baustoff Union GmbH (specializing in regional building material retail) and HORNBACK Immobilien AG (responsible for real estate and site development). As of the balance sheet date on February 28, 2023, the Group employed 25,118 individuals, with 13,731 of them working in Germany. During the fiscal year 2022/23 (from March 1, 2022, to February 28, 2023), the HORNBACK Group generated a net revenue of approximately €6.3 billion. Since its founding in 1877, the HORNBACK Group has been in family ownership and is now managed in the fifth generation.



1) including ordinary shares held by members of the Hornbach family.

2) including ordinary shares held by members of the Hornbach family whose voting rights are executed by Hornbach Familien-Treuhandgesellschaft mbH.

3) Additional subsidiaries in Germany and abroad according to the complete overview in the notes to the financial statements.

Source: HORNBACK Holding AG & Co. KGaA

Subsidiary HORNBACH Baumarkt AG

The subsidiary HORNBACH Baumarkt AG operates 169 construction and garden stores as well as HORNBACH online shops in nine European countries. In Germany, HORNBACH also operates two specialty stores for hard floor coverings under BODENHAUS GmbH and a BODENHAUS online shop. The locations are distributed across Germany (99 locations) and other European countries, including Austria, the Netherlands, Luxembourg, Czech Republic, Switzerland, Sweden, Slovakia, and Romania. In the fiscal year 2022/23, this subsidiary generated revenue of €5,843 million, accounting for approximately 93% of the total group revenue.

Subsidiary HORNBACH Baustoff Union GmbH HORNBACH Baustoff Union GmbH

Along with its subsidiaries, including Union Bauzentrum Hornbach GmbH, Ruhland-Kallenborn & Co. GmbH, Robert Röhlinger GmbH, and Ets. Camillie Holtz et Cie. SA (HBU Group), is engaged in regional building material trade. It has a total of 40 locations, with 38 in southwestern Germany and two near the French border as of the balance sheet date of February 28, 2023. In the fiscal year 2022/23, this subsidiary generated revenue of €421 million, which corresponds to about 7% of the total group revenue.

Subsidiary HORNBACH Immobilien AG

The subsidiary HORNBACH Immobilien AG primarily develops retail properties for the operational units within the HORNBACH Holding AG & Co. KGaA group. Most of these properties are internally leased at market-standard rates. In the fiscal year 2022/23, rental income amounted to €82.5 million, with 98% of this income stemming from leasing within the overall group.

5 Business Model

Trading Activities

HORNBACH Baumarkt AG operates large-scale construction and garden stores in significant regional catchment areas with sales areas exceeding 10,000 square meters. This organically grown portfolio of locations, both domestically and abroad, enables economic advantages through economies of scale in operations, market development, and logistics. The integration of brick-and-mortar retail with online shops creates a seamless DIY multi-channel retail experience. HORNBACH serves DIY enthusiasts and commercial customers with a wide range of products, fixed low prices, consultation, and services. The company has built a strong brand through innovative advertising and achieves high customer satisfaction.

Real Estate Activities

The HORNBACH Group owns a substantial amount of retail properties, primarily construction and garden stores. The group retains at least half of these properties and strategically utilizes them, sometimes through sale and leaseback arrangements. Site development, construction planning, and the establishment of new stores are managed by HORNBACH Baumarkt AG and HORNBACH Immobilien AG.

Hidden Reserves in Real Estate Assets

The subsidiary companies HORNBACH Immobilien AG and HORNBACH Baumarkt AG possess significant hidden reserves in their real estate assets. These reserves are calculated conservatively, based on long-term rental multipliers and other factors. These hidden reserves represent an additional source of potential value for the group.

Reportable Segments

The HORNBACH Group is divided into several segments, including HORNBACH Baumarkt AG, HORNBACH Immobilien AG, and HORNBACH Baustoff Union GmbH. Central administration and consolidation are also taken into account.

6 SWOT

Strengths

- **Strong Market Position:** HORNBAACH is an established brand with a significant presence in the DIY retail segment, leading to high brand recognition and customer trust.
- **Wide Product Range:** The company offers a diverse selection of building materials, tools, garden products, and DIY accessories, appealing to a broad customer base. In total, the product range in stores includes around 50,000 items, and online, approximately 260,000.
- **Expertise and Customer Satisfaction:** This is evidenced by examining the Customer Monitor, where the company has held the first place 6 times in the last 10 years.
- **Multichannel Distribution:** The company has both physical stores and an online shop.
- **International Presence:** HORNBAACH is active not only in Germany but also in other European countries, leading to diversified income streams.

Opportunities

- **Growth in Online Retail:** The trend towards online shopping provides HORNBAACH with the opportunity to expand its online store and offer customers a convenient shopping experience.
- **Sustainability and Environmental Awareness:** HORNBAACH could benefit from the growing interest in sustainable and eco-friendly products by adjusting its product range accordingly.
- **Expansion into New Markets:** The company could expand its international presence and enter markets outside of Europe.
- **Increasing Interest in DIY:** The DIY culture is gaining popularity, giving HORNBAACH the opportunity to expand its offering of workshops, training, and DIY resources.

Weaknesses

- **Dependence on the Home Improvement Sector:** HORNBAACH is heavily reliant on demand in the home improvement segment, which can make the company vulnerable to economic fluctuations.
- **High Competitive Pressure:** The home improvement sector is highly competitive, and HORNBAACH competes with other major players as well as regional providers.
- **Complexity of DIY Projects:** DIY projects often require technical skills and knowledge, which may deter some customers or lead to faulty projects.
- **Customer Loyalty:** In an increasingly digital environment, maintaining long-term customer loyalty can be challenging, especially online.
- **Weather Dependency:** Due to a significant portion of garden-related products and outdoor construction materials, the company's performance is influenced by weather conditions.

Threats

- **Economic Uncertainty:** Economic downturns can impact the demand for home improvement products.
- **Price Sensitivity of Customers:** Customers may be price-sensitive due to the high level of competition and the availability of online alternatives.
- **New Competitors:** New competitors could enter the market and increase competitive pressures.
- **Regulatory Challenges:** Changes in building codes or environmental regulations could have implications for HORNBAACH's business.

7 Board of HORNBACH Management AG

HORNBACH Holding AG & Co. KGaA is represented by its personally liable partner, HORNBACH Management AG. The latter also manages the affairs of the KGaA. The Board of Directors of HORNBACH Management AG consists of three members:

1. Albrecht Hornbach CEO

Since 2015, he has served as the CEO of HORNBACH Management AG and will hold this position until October 31, 2026. In addition to his role as CEO, he also chairs the supervisory boards of HORNBACH Baumarkt AG and HORNBACH Immobilien AG. Albrecht Hornbach is a graduate with a degree in Civil Engineering from the University of Karlsruhe. Prior to his current position, Albrecht Hornbach was the head of a structural engineering consultancy and served as the managing director of a real estate development company and asset management GmbH. Before joining HORNBACH Baumarkt AG, he took over the leadership of the construction department.



2. Karin Dohm CFO

Since 2021, Karin Dohm has been serving as the Chief Financial Officer (CFO), responsible for the finances of HORNBACH Management AG and, consequently, overseeing the finances of the entire HORNBACH Group. Her term in this position was recently extended and now extends until December 31, 2028. Before joining HORNBACH, she gained diverse experience in various roles at Deutsche Bank, most recently as Global Program Director. Karin Dohm also serves as a board member in the supervisory boards of Ceconomy AG, Danfoss A/S, and HORNBACH Immobilien AG. She holds a degree in economics (Diplom-Volkswirtin) and is also a qualified tax advisor and auditor.



3. Erich Harsch Chairman and Member of the Board

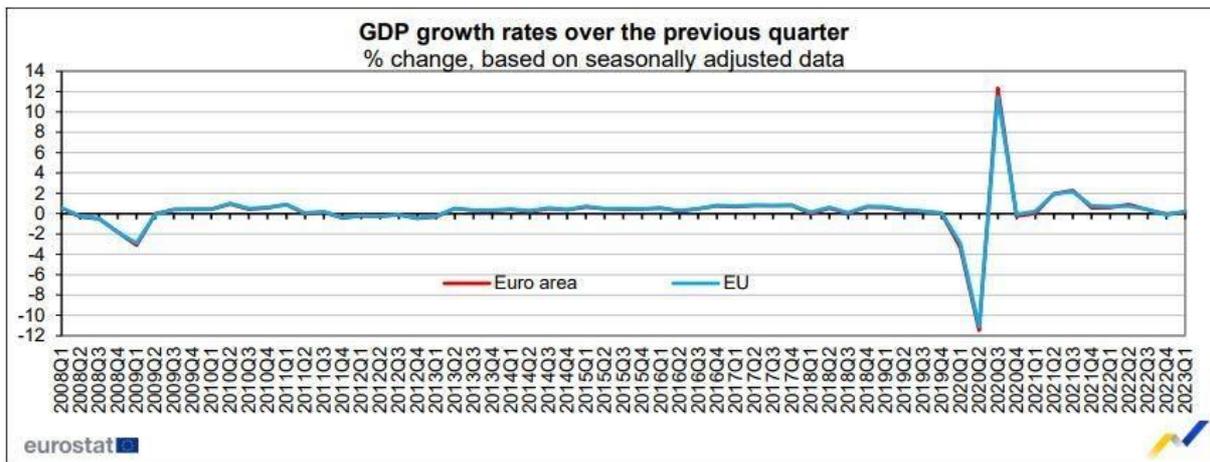
Since June 1, 2023, Erich Harsch has been serving not only as the Chairman of the Board of HORNBACH Baumarkt AG but is also a member of the Board of HORNBACH Management AG. He will hold these positions until May 31, 2028. Before his appointment to the board of HORNBACH Baumarkt AG in 2020, Erich Harsch was the CEO of dm-drogerie markt GmbH & Co. KG and simultaneously served as a member of the supervisory boards within the HORNBACH Group.



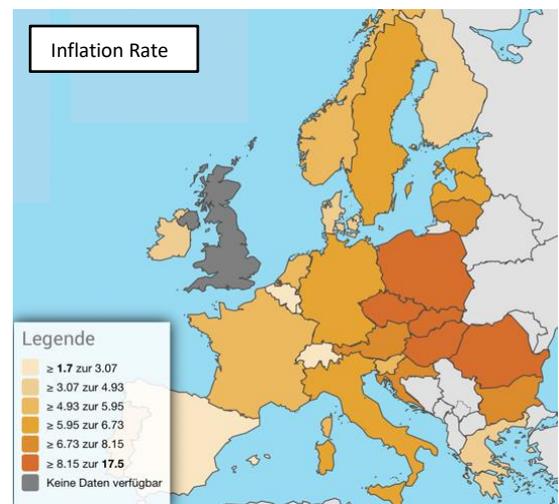
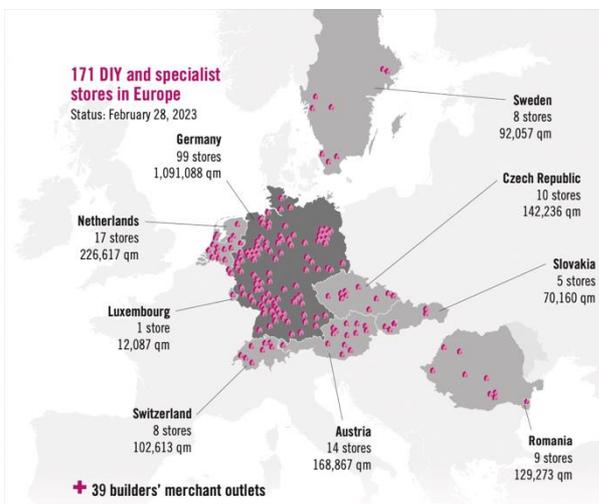
8 Market Data and Market Environment

Framework Conditions in Europe

In the first quarter of 2023, there were significant economic developments in Europe. According to Eurostat, the statistical office of the European Union, the Eurozone experienced a seasonally adjusted decline in Gross Domestic Product (GDP) by 0.1%, while the GDP of the entire EU increased by 0.1% compared to the previous quarter. When compared to the previous year, both the Eurozone and the EU saw a growth of 1.0% in seasonally adjusted GDP, indicating a slowdown in comparison to previous growth rates. Private household consumption expenditures decreased, and government consumption expenditures also declined. However, gross fixed capital formation increased, and the trade balance had a positive impact.



The annual inflation rate in the Eurozone was 5.5% in June 2023, which marked a decrease from 6.1% in May. One year earlier, the rate was at 8.6%. The annual inflation rate in the European Union for June 2023 was 6.4%, also showing a decrease from 7.1% in May. One year earlier, it stood at 9.6%. These figures are published by Eurostat, the statistical office of the European Union.



In the realm of employment, both the Eurozone and the EU saw an increase in employment in the first quarter of 2023 compared to the previous year. However, labor productivity showed a decrease in both the Eurozone and the EU. On September 20, 2023, the European Central Bank (ECB) raised its key interest rate by 0.25 percentage points to 4.5% in response to the economic situation. The ECB signaled the possibility of future interest rate hikes in light of inflation. The ECB emphasized its readiness to adjust its interest rate policy to ensure economic stability in Europe, both in the short term and the long term. This highlights the challenges the ECB faces in promoting the economic well-being of the region.

Conditions in Germany

The German economy experienced a significant setback during the recent winter half-year. Due to high inflation, demand noticeably weakened. It is projected that the Gross Domestic Product (GDP) will decrease by 0.4% this year and increase by 1.5% in the coming year. The inflation rate is expected to decrease from 6.9% in 2022 to 5.8% in 2023 and 2.1% in 2024.

Construction Activity and Construction Industry

According to calculations by the German Institute for Economic Research (DIW), the construction volume in the housing sector saw a nominal increase of 12.8% in 2022 (compared to 9.4% the previous year). Measures for the refurbishment, renovation, and modernization of existing buildings, which are significant for the construction industry, experienced a disproportionate increase of 13.7% (compared to 9.7% the previous year). It's important to note that a considerable portion of this growth is attributed to price increases. The Federal Statistical Office reports that prices for new residential building construction rose by 16.4% on average in 2022. In the construction industry, the Federal Statistical Office indicates that turnover decreased by 4.8% in 2022 compared to 2021, while a nominal increase of 10.8% was recorded.

Retail and DIY

According to data from the German Retail Association (HDE), the net total turnover in the German retail sector saw a nominal increase of 7.2% in 2022, reaching €631.9 billion (compared to €587.8 billion the previous year). Adjusted for inflation, however, there was a decrease of 0.8%. Online retail (E-Commerce) experienced a decrease in turnover by 2.0% to €85.0 billion (compared to €86.7 billion the previous year), or a 6.9% decline in real terms. As a result, online sales accounted for 13.5% of the total retail volume in 2022 (compared to 14.7% the previous year). The DIY sector, represented by the BHB (Association of DIY, Building, and Garden Trade) and GfK, reported that the gross sales of large-scale home improvement stores with sales areas of over 1,000 square meters increased by 7.8% in

nominal terms to €21.92 billion in 2022 (compared to €20.33 billion the previous year). When not accounting for new openings, closures, or significant renovations, there was a growth of 7.2%. The gross sales of small-scale home improvement stores (hardware stores with up to 1,000 square meters of sales area) saw an increase of approximately 14% to €4.52 billion (compared to €3.95 billion the previous year). Overall, the market volume of all construction and DIY stores increased by 8.9% to €26.44 billion in 2022. E-commerce sales in the categories of DIY, construction materials, and gardening through the online shops of brick-and-mortar retailers, mail-order businesses, and pure online retailers in Germany decreased by 12.1% to a gross total of €5.22 billion in 2022, according to market researchers IFH Retail Consultants/Teipel Research & Consulting (compared to €5.94 billion the previous year). The stationary home improvement companies included in this data experienced a decline in their online sales by 18.5% to €1.19 billion (compared to €1.46 billion the previous year).

Regional Building Materials Trade

The regional building materials trade is heavily influenced by developments in the construction industry. For HORNBACH Baustoff Union GmbH as part of the group, the focus is particularly on construction activity in the sales area. This area primarily covers the regions of Rhineland-Palatinate, Saarland, and Baden-Württemberg. In 2022, the Rhineland-Palatinate region saw a significant increase in nominal sales in the construction industry (residential construction and companies with over 20 employees) by 20.9% compared to the previous year, which had experienced a decrease of 7.5%. In Baden-Württemberg, sales increased by 9.3% compared to a slight decrease of 1.4% the previous year. In Saarland, there was a growth of 10.8%, following a 16.1% increase in the previous year (nationwide: plus 11.0%). However, a counter-trend in order intake emerged throughout the year. This decline was attributed to the noticeable increase in housing construction loan costs and significantly rising construction expenses. In Rhineland-Palatinate, a decline of 12.2% was recorded for the year 2022. In Baden-Württemberg and Saarland, there were still slight increases of 0.4% and 0.2%, respectively (nationwide: minus 3.9%).

9 Outlook

The persistent high inflation is affecting household purchasing power, while rising interest rates are dampening economic demand. Energy prices are decreasing, but consumer price inflation is slowly receding. The Ukraine conflict and sanctions against Russia continue, with the gas supply in Europe expected to remain secure. The slow reduction in inflation and the phasing out of government support are likely to keep private consumption weak initially. Global supply chains are normalizing, with no significant disruptions on the horizon.

The Ifo Economic Forecast, as of June 21, 2023, predicts a decrease in Germany's Gross Domestic Product (GDP) by 0.4% in 2023 and an inflation rate of 5.8%. It is expected that the inflation surge may have peaked, thanks to government price controls on electricity and gas. Over the course of the year, an increase in real wages is anticipated, supported by higher wage agreements. However, private consumption is likely to contribute to economic expansion only in the following year. The construction industry is expected to potentially restrain economic growth, particularly in residential construction due to rising financing costs.

Over the one-year forecast period, the HORNBAACH Group plans to make further investments. This includes the modernization of the branch network and the continued development of online shops within the existing business area. In the 2023/24 fiscal year, the market in Nuremberg will be closed and rebuilt in the same location, with a larger format, and is planned to reopen in early 2025. The total number of locations will remain at 171, but the number of locations outside Germany will increase to 73 with the addition of the new market in the Netherlands, which opened on July 12th. Capital expenditures (CAPEX) will remain constant at €203.5 million compared to the previous year. These funds will primarily be used for the construction of new markets, equipping branches, remodeling and expanding existing markets, as well as enhancing the IT infrastructure.

Given the backdrop of economic challenges such as inflation, product prices, and a slow start to the spring season due to weather conditions, the HORNBAACH Group is exercising caution in its outlook for the 2023/24 fiscal year. The revenue of HORNBAACH Holding AG & Co. KGaA is expected to be at or slightly below the level of the previous year (€6,263 million). The HORNBAACH Group is responding to ongoing inflation and product price dynamics, as well as unfavorable weather conditions in the first quarter of 2023/24. The focus is on cost reduction through optimizing operational expenses in branches and administration. The long-term growth strategy and the low-price strategy will be maintained. The adjusted EBIT is expected to decrease by -10% to -25% below the level of €290.1 million in the 2022/23 fiscal year, depending on consumer behavior, inflation, real wage development, and interest rates in the 2023/24 fiscal year.

10 Profit and loss Statement

Income Statement Analysis

in EURm	2021/22	2022/23	2023/24E	2024/25E	2025/26E	2026/27E	2027/28E	2028/29E	2029/30E	2030/31E	2031/32E	2032/33E	2033/34E
Umsatzerlöse	5874.96	6263.13	6196.82	6368.74	6423.37	6540.02	6627.45	6731.93	6830.00	6933.58	7036.66	7142.32	7249.03
Kosten der umgesetzten Handelsware	-3817.06	-4172.64	-4192.24	-4357.18	-4404.05	-4526.34	-4521.86	-4622.64	-4692.35	-4751.78	-4829.55	-4901.28	-4972.60
Rohertrag	2057.90	2090.49	2004.59	2011.56	2019.32	2013.68	2105.59	2109.29	2137.64	2181.79	2207.11	2241.04	2276.44
Filialkosten	-1449.22	-1561.17	-1571.20	-1616.58	-1602.94	-1633.89	-1671.54	-1698.53	-1714.80	-1737.07	-1769.37	-1798.89	-1821.70
Voreröffnungskosten	-17.46	-6.81	-11.09	-12.42	-10.33	-11.66	-11.80	-11.60	-12.04	-12.17	-12.29	-12.53	-12.70
Verwaltungskosten	-257.16	-280.95	-280.63	-284.29	-288.59	-287.44	-288.33	-297.07	-299.58	-303.91	-309.20	-313.39	-318.11
Sonstiges Ergebnis	20.91	16.94	19.16	19.86	19.08	20.01	20.21	20.38	20.80	21.08	21.38	21.72	22.04
Betriebsergebnis (EBIT)	354.97	258.50	160.82	118.13	136.54	100.71	154.13	122.47	132.03	149.72	137.62	137.94	145.95
Sonstige Zinsen und ähnliche Erträge	1.04	5.60	2.52	3.14	3.84	3.26	3.51	3.65	3.57	3.69	3.75	3.78	3.85
Sonstige Zinsen und ähnliche Aufwendungen	-43.94	-50.27	-52.36	-54.59	-56.17	-56.17	-57.23	-58.27	-58.92	-59.90	-60.80	-61.68	-62.62
Übriges Finanzergebnis	2.23	4.46	1.60	3.15	3.36	2.78	3.19	3.21	3.15	3.28	3.31	3.34	3.41
Zinsen und ähnliche Aufwendungen	-40.67	-40.21	-49.85	-51.46	-52.33	-52.91	-53.72	-54.63	-55.35	-56.22	-57.06	-57.90	-58.77
Ergebnis vor Steuern	314.31	218.29	110.98	66.68	84.21	47.80	100.41	67.85	76.68	93.50	80.57	80.04	87.18
Steuern vom Einkommen und Ertrag	-69.80	-50.46	-25.65	-16.08	-19.68	-11.08	-23.48	-15.90	-18.02	-21.85	-18.83	-18.74	-20.42
davon Gewinnanteile anderer Gesellschafter	-44.85	-10.76	-33.02	-31.17	-25.57	-30.96	-30.06	-29.73	-31.16	-31.24	-31.63	-32.29	-32.67
Jahresüberschuss/Jahresfehlbetrag	199.66	157.07	85.32	50.60	64.53	36.72	76.94	51.95	58.67	71.65	61.73	61.31	66.76
Gewinn pro Aktie (GpA)	12.48	9.83	5.34	3.17	4.04	2.30	4.81	3.25	3.67	4.48	3.86	3.84	4.18

11 Balance sheet

Balance sheet – HORNBACH Holding													
	Fiscal year												
in Mio. EUR	2021	2022	2023	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E
Aktiva													
Summe kurzfristige Vermögenswerte	1726.51	2007.77	1868.00	1858.51	1902.74	1917.13	1977.58	1943.75	2018.15	2095.36	2093.21	2155.87	2189.96
Vorräte	1230.43	1382.35	1310.90	1330.54	1404.49	1438.52	1456.50	1459.64	1494.40	1482.66	1493.93	1503.04	1513.93
Forderungen aus Lieferungen und Leistungen	47.27	57.19	55.90	53.67	55.60	57.61	57.85	71.73	83.41	83.90	90.94	92.66	98.24
Vertragsvermögenswerte	1.58	2.02	1.80	1.76	1.86	1.93	1.91	1.93	1.98	2.01	2.03	2.06	2.10
Übrige kurzfristige Vermögenswerte	98.28	105.44	104.90	112.80	109.53	112.04	132.55	134.64	170.75	187.21	204.06	207.13	210.22
Forderungen aus Steuern vom Einkommen und von Ertrag	12.96	20.31	24.30	20.27	20.31	22.25	26.51	33.66	34.15	34.67	35.18	35.71	36.25
Flüssige Mittel	332.26	436.98	368.80	336.66	308.12	275.69	298.13	237.27	228.03	298.80	254.70	307.84	321.11
Zur Veräußerung gehaltene langfristige Vermögenswerte	3.74	2.88	1.40	2.79	2.83	9.10	4.14	4.87	5.43	6.12	12.36	7.42	8.11
Summe langfristige Vermögenswerte	2579.14	2718.00	2722.80	2801.33	2833.05	2887.85	2945.68	3108.37	3129.54	3130.46	3229.65	3325.48	3374.92
Immaterielle Vermögensgegenstände	20.03	24.30	24.50	24.22	24.16	25.18	25.46	39.14	56.80	37.83	41.22	45.43	47.10
Sachanlagen	1715.70	1806.11	1828.40	1871.58	1877.76	1912.35	1944.60	1972.50	1999.76	2030.88	2061.95	2092.22	2123.35
Fremdvermietete Immobilien und Vorratsgrundstücke	26.95	25.94	25.80	28.07	34.20	29.49	43.75	48.54	40.38	42.01	45.35	45.76	44.98
Nutzungsrechte an Leasingobjekten	788.80	819.63	801.60	837.24	857.43	871.73	887.41	929.24	947.17	942.80	996.72	1046.95	1070.84
Finanzanlagen	0.11	0.16	0.20	0.16	0.16	0.18	0.18	54.03	13.84	17.52	22.18	28.09	21.09
Übrige langfristige Forderungen und Vermögenswerte	5.88	6.80	7.20	6.33	6.81	7.03	7.11	27.27	32.88	19.09	22.33	26.41	26.17
Latente Steueransprüche	21.68	35.05	35.10	33.74	32.52	41.89	37.16	37.65	38.70	40.34	39.91	40.62	41.40
Summe Aktiva	4305.66	4725.77	4590.80	4659.84	4735.79	4804.98	4923.26	5052.12	5147.69	5225.83	5322.86	5481.34	5564.89
Passiva													
Kurzfristige Verbindlichkeiten	1078.95	1366.17	1182.40	1126.68	1171.59	1190.81	1213.14	1266.33	1290.24	1383.50	1420.70	1511.40	1540.34
Kurzfristige Finanzschulden	220.94	300.73	285.20	248.97	274.18	287.46	284.57	283.87	293.25	353.61	350.15	367.59	389.93
Kurzfristige Leasingschulden	96.37	100.80	101.20	102.90	104.36	105.99	107.60	109.13	110.82	112.46	119.34	160.49	174.22
Verbindlichkeiten aus Lieferungen und Leistungen	409.17	384.65	369.40	394.62	405.69	402.45	408.04	417.76	424.01	477.10	447.73	493.85	477.82
Verbindlichkeiten aus dem Reverse-Factoring	0.00	250.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Vertragsverbindlichkeiten	52.32	49.48	53.70	53.60	54.58	54.74	56.25	56.84	50.88	56.77	57.29	57.53	57.69
Übrige kurzfristige Verbindlichkeiten	106.80	116.61	180.70	133.68	139.62	147.98	156.60	196.88	213.84	185.14	209.14	223.16	230.12
Schulden aus Steuern vom Einkommen und von Ertrag	43.42	35.20	38.00	40.78	41.02	40.12	41.52	42.39	36.00	34.61	40.15	39.76	39.03
Sonstige Rückstellungen und abgegrenzte Rückstellungen	149.34	128.69	154.20	152.13	152.13	152.06	158.57	159.46	161.44	163.81	166.90	169.04	171.53
Langfristige Verbindlichkeiten	1465.41	1462.54	1443.40	1517.56	1484.08	1497.33	1516.34	1540.06	1553.06	1466.29	1464.38	1470.86	1458.70
Langfristige Finanzschulden	532.51	552.14	548.50	536.34	576.75	575.68	583.15	591.47	597.05	574.26	553.57	567.14	574.79
Langfristige Leasingschulden	778.44	826.59	809.40	834.46	825.59	840.63	852.80	863.71	872.42	814.94	821.77	820.02	798.96
Pensionen und ähnliche Verpflichtungen	12.86	0.14	0.90	0.54	0.74	0.65	0.71	0.69	0.72	0.72	0.74	0.75	0.76
Latente Steuerschulden	31.33	33.63	33.20	34.82	34.57	35.28	35.79	36.43	36.86	37.45	38.01	38.59	39.15
Sonstige langfristige Schulden	50.27	50.04	51.40	51.39	46.43	45.10	43.89	41.76	46.01	38.93	44.29	44.37	45.05
Summe Eigenkapital	1761.30	1897.06	1965.00	2015.60	2080.13	2116.84	2193.78	2245.73	2304.39	2376.04	2437.78	2499.08	2565.85
Total consolidated equity and debt	4305.66	4725.77	4590.80	4659.84	4735.79	4804.98	4923.26	5052.12	5147.69	5225.83	5322.86	5481.34	5564.89

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12 Valuation DCF-Modell

Using our DCF model and our calculated WACC of 11%, we determine a fair value of EUR 72.02 and a 12-month price target of EUR 79.96. Conservative sales growth rates are used as well as a conservative capital structure.

DCF-valuation model									
in PLNm	2023/24E	2024/25E	2025/26E	2026/27E	2027/28E	2028/29E	2029/30E	2030/31E	2031/32E
Total revenues	6,196.82	6,368.74	6,423.37	6,540.02	6,627.45	6,731.93	6,830.00	6,933.58	7,036.66
(y-o-y change)	-1.1%	2.8%	0.9%	1.8%	1.3%	1.6%	1.5%	1.5%	1.5%
EBIT	160.82	118.13	136.54	100.71	154.13	122.47	132.03	149.72	137.62
(operating margin)	2.6%	1.9%	2.1%	1.5%	2.3%	1.8%	1.9%	2.2%	2.0%
NOPLAT	123.65	89.65	104.63	77.36	118.10	93.77	101.01	114.73	105.45
+ Depreciation & amortisation	217.18	224.29	226.94	230.20	233.61	237.36	240.66	244.40	248.03
= Net operating cash flow	340.83	313.94	331.57	307.56	351.71	331.14	341.67	359.12	353.48
- Total investments (Capex and WC)	-219.77	-253.57	-208.15	-211.25	-255.07	-133.18	-274.17	-211.43	-191.10
Capital expenditure	-203.50	-207.34	-208.83	-216.07	-216.96	-220.20	-223.67	-227.48	-230.46
Working capital	685.60	731.83	731.15	726.32	764.44	677.42	727.92	711.87	672.51
= Free cash flow (FCF)	121.07	60.37	123.42	96.31	96.63	197.96	67.49	147.69	162.38
PV of FCF's	118.73	53.33	98.20	69.03	62.38	115.10	35.35	69.67	69.00
PV of FCFs in explicit period	791.72								
PV of FCFs in terminal period	19.53								
Enterprise value (EV)	811.25								
+ Net cash / - net debt	339.60								
Shareholder value	1,150.85								
Number of shares outstanding (m)	15.98								
WACC	11.0%								
Cost of equity	3.8%								
Pre-tax cost of debt	14.1%								
Normal tax rate	23.1%								
After-tax cost of debt	9.9%								
Share of equity	-19.0%								
Share of debt	119.0%								
Fair value per share in EUR (today)	72.02								
Fair value per share in EUR (in 12 months)	79.96								

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