

24 June 2025

HORNBACH Holding AG & Co KGaA

Rating Buy
Share price (EUR) 90.80
Target price (EUR) 110.00

Bloomberg HBH GR
Sector Consumer Goods

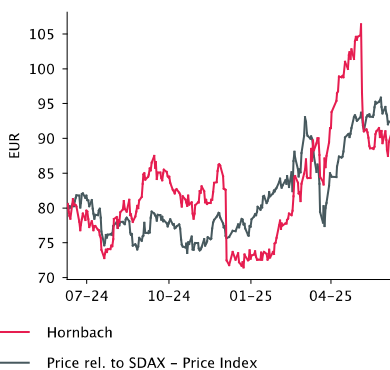
Share data

Shares out (m) 16.0
Daily volume shs (m) 1.9
Free float (%) 62.50
Market cap (EUR m) 1,461
EV (EUR m) 1,811
DPS (EUR) 2.40
Dividend yield (%) 3.2
Payout ratio (%) 27.3

Performance

ytd (%) 23.3
12 months (%) 16.1
12 months rel. (%) 1.9
Index SDAX

Share price performance



Source: Bloomberg

Next triggers

11 July 2025: AGM
30 September 2025: H1 Report

Analysts

Ralf Marinoni – Financial Analyst
T +49 (0)69 2475049 24
ralf.marinoni@quirinprivatbank.de

Please see final page for important disclaimers and disclosures

Q1-25/26: strong increase of sales, earnings and cash flow

HORNBACH Holding started strong into the current business year; in our view, there were 3 highlights: 1) significant increase in sales (EUR 1,909.2m, +5.7% yoy) and adjusted EBIT (EUR 161.7m, +10.4% yoy), 2) more than tripling of free cash flow (EUR 147.4m vs. EUR 43.0m in Q1-24/25) and 3) a specification of the FY 2025/26 guidance, with the company saying that the upper range of adj. EBIT is likely.

The HORNBACH Baumarkt sales grew across all regions, with Germany contributing 48% and other European countries 52% of total sales. This subgroup experienced a 5.8% sales increase, while the Baustoff Union subgroup rose by 3.1%. It is worth mentioning that the Baustoff Union serves commercial clients and the weakness in the construction sector may have “bottomed out” according to CEO Albrecht Hornbach.

Like-for-like sales growth was positive in nearly all countries, with particularly strong results in Luxembourg and the Netherlands (both +10.9%). Market share gains were again achieved in Germany, the Netherlands, Czechia, Austria, and Switzerland. E-commerce sales grew by 11.1%, with online channels accounting for 13.1% of Baumarkt sales, while they were 12.4% in Q1 24-25. The company maintained a strong balance sheet, with an equity ratio of 45.5% and net debt/EBITDA reduced to 2.3x (February 2025: 2.6x).

FY 2025/26 confirmed, but wording regarding adj. EBIT a bit more optimistic

HORNBACH confirms the guidance given on May 21, 2025. The group continues to expect net sales in FY 2025/26 at or slightly above (i.e. +/- 2% to +/-6%) the previous year's level (EUR 6,200m) and adjusted EBIT at the level (i.e. -5% to +5%) of the 2024/25 financial year (EUR 269.5m). Given the good earnings performance in the first quarter of 2025/26, an adjusted EBIT in the upper half of the projected range currently appears likely according to the company. CAPEX is expected to exceed the EUR 183.7m of FY 2024/25, with investments focused on land, new stores, and store upgrades.

In our opinion, HORNBACH's outlook continues to remain cautious/conservative. We therefore confirm our Buy recommendation and the EUR 110 TP.

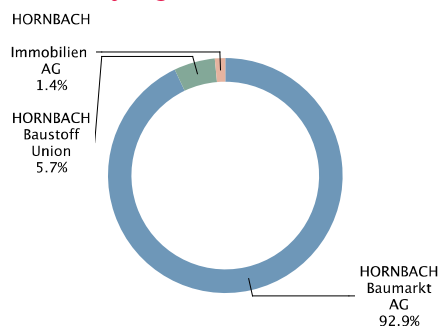
Key figures		2024	2025	2026e	2027e	2028e
Sales	EUR m	6,161	6,200	6,251	6,326	6,421
EBITDA	EUR m	501	503	527	547	572
EBIT	EUR m	226	253	277	287	302
EPS	EUR	7.82	8.80	10.13	10.80	11.52
Sales growth	%	-1.6	0.6	0.8	1.2	1.5
EBIT growth	%	-12.7	11.9	9.5	3.7	5.2
EPS growth	%	-20.4	12.5	15.2	6.5	6.7
EBITDA margin	%	8.1	8.1	8.4	8.7	8.9
EBIT margin	%	3.7	4.1	4.4	4.5	4.7
Net margin	%	2.0	2.3	2.6	2.7	2.9
EV/Sales	ratio	0.43	0.29	0.40	0.37	0.32
EV/EBITDA	ratio	5.3	3.6	4.8	4.2	3.6
EV/EBIT	ratio	11.8	7.2	9.1	8.1	6.9
P/E	ratio	9.7	10.4	9.0	8.5	7.9
P/BV	ratio	0.6	0.7	0.7	0.6	0.6
Dividend yield	%	3.2	2.6	2.7	3.0	3.2

Source: Bloomberg, Company data, Quirin Privatbank estimates

Company description

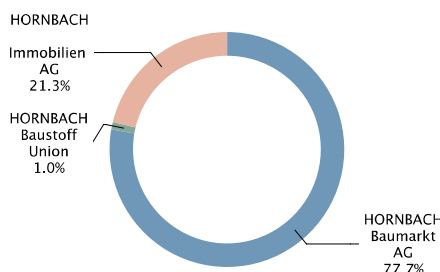
The HORNBAACH Group is an independent, family-run retail group managed by HORNBAACH Holding AG & Co. KGaA, which is listed on the Frankfurt Stock Exchange and included in the SDAX. Its largest subsidiary, HORNBAACH Baumarkt AG, operates 173 DIY megastores with garden centers (including specialist stores) and online shops in nine European countries. The HORNBAACH Group also includes HORNBAACH Baustoff Union, a regional builders' merchant company with 39 locations in southwestern Germany and France, and HORNBAACH Immobilien AG, which develops retail real estate for the Group. In the 2024/25 financial year (balance sheet date: February 28, 2025), the HORNBAACH Group generated net sales of EUR 6.2 billion, making it one of the top five retailers for DIY and garden products in Europe. The Group has around 25,000 employees.

Revenues by segment 2025



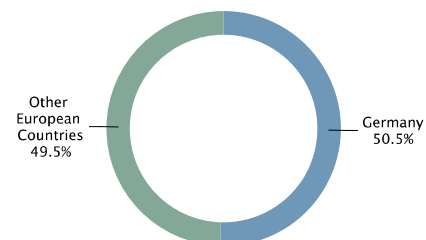
Source: Company data

Operating profit by segment 2025



Source: Company data

Revenues by region 2025



Source: Company data

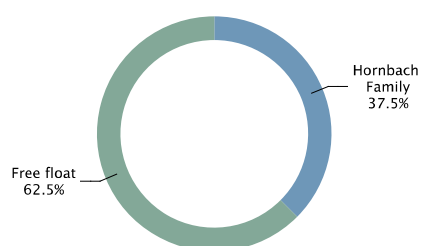
Segment data (EUR m)

Revenues (growth in %)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
HORNBAACH Baumarkt AG	5,780.0	-1.1%	5,847.0	1.2%	5,895.0	0.8%	5,970.0	1.3%	6,060.0	1.5%
HORNBAACH Baustoff Union	380.7	-9.6%	357.1	-6.2%	360.0	0.8%	365.0	1.4%	375.0	2.7%
HORNBAACH Immobilien AG	89.1	8.0%	89.6	0.6%	90.5	1.0%	91.0	0.6%	91.0	0.0%

EBIT (margin in %)	2024	margin	2025	margin	2026e	margin	2027e	margin	2028e	margin
HORNBAACH Baumarkt AG	241.0	3.7%	212.4	4.0%	233.7	4.1%	240.0	4.2%	250.0	4.4%
HORNBAACH Baustoff Union	13.8	1.2%	4.7	0.9%	3.1	1.2%	4.2	1.4%	5.0	1.5%
HORNBAACH Immobilien AG	55.8	71.0%	63.3	71.3%	63.9	70.7%	64.0	70.9%	64.5	71.4%

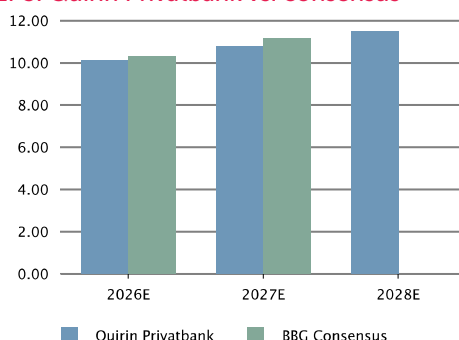
Source: Company data, Quirin Privatbank estimates

Shareholder structure



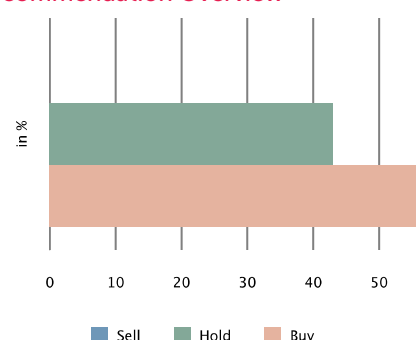
Source: Company data

EPS: Quirin Privatbank vs. consensus



Source: Quirin Privatbank Research, Bloomberg

Recommendation Overview



Source: Bloomberg

Company guidance 2025/26

HORNBAACH confirms the guidance given on May 21, 2025. The group continues to expect net sales in the financial year 2025/26 at or slightly above (i.e. +/- 2% to +/- 6%) the previous year's level (EUR 6,200m) and adjusted EBIT at the level (i.e. -5% to +5%) of the 2024/25 financial year (EUR 269.5m). Given the good earnings performance in the first quarter of 2025/26, an adjusted EBIT in the upper half of the projected range currently appears likely.

Profit & loss statement

Profit & loss statement (EUR m)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
Sales	6,160.9	-1.6 %	6,200.0	0.6 %	6,250.5	0.8 %	6,326.0	1.2 %	6,421.0	1.5 %
Cost of sales	4,076.3		4,039.4		4,072.3		4,121.5		4,183.4	
Gross profit	2,084.6		2,160.6		2,178.2		2,204.5		2,237.6	
Selling expenses	1,576.3		1,609.7		1,604.2		1,617.7		1,633.0	
General administrative expenses	297.4		315.0		313.9		316.6		319.6	
Research and development costs	0.0		0.0		0.0		0.0		0.0	
Other operating income	14.9		16.9		16.8		16.9		17.1	
Other operating expenses	0.0		0.0		0.0		0.0		0.0	
EBITDA	500.8	-2.1 %	503.2	0.5 %	527.2	4.8 %	547.4	3.8 %	572.2	4.5 %
EBITDA margin (%)	8.13		8.12		8.43		8.65		8.91	
EBIT	225.8	-12.7 %	252.7	11.9 %	276.8	9.5 %	287.1	3.7 %	302.1	5.2 %
EBIT margin (%)	3.66		4.08		4.43		4.54		4.70	
Net interest	-46.0		-45.9		-43.8		-41.6		-39.5	
Income from Participations	-0.5		1.3		1.3		1.3		1.3	
Net financial result	n.a.		n.a.		n.a.		n.a.		n.a.	
Exceptional items	n.a.		n.a.		n.a.		n.a.		n.a.	
Pretax profit	179.3	-17.9 %	208.0	16.0 %	234.2	12.6 %	246.7	5.3 %	263.8	6.9 %
Pretax margin (%)	2.91		3.36		3.75		3.90		4.11	
Taxes	47.6		60.8		64.6		66.0		71.1	
Tax rate (%)	26.57		29.25		27.58		26.76		26.94	
Earnings after taxes	131.7		147.2		169.6		180.7		192.8	
Minorities	6.5		6.5		7.5		8.0		8.5	
Group attributable income	125.1	-20.3 %	140.7	12.4 %	162.1	15.3 %	172.7	6.5 %	184.3	6.7 %
No. of shares (m)	16.0		16.0		16.0		16.0		16.0	
Earnings per share (EUR)	7.82	-20.4 %	8.80	12.5 %	10.13	15.2 %	10.80	6.5 %	11.52	6.7 %
Adjustments										
Adjusted EBIT	254.2		269.5		276.8		287.1		302.1	
Adjusted EBIT margin (%)	4.1		4.3		4.4		4.5		4.7	

Source: Company data, Quirin Privatbank estimates

Balance sheet

Balance sheet (EUR m)	2024	YOY	2025	YOY	2026e	YOY	2027e	YOY	2028e	YOY
Assets										
Cash and cash equivalents	370.3		317.2		505.8		695.6		938.6	
Accounts receivables	47.6		52.5		52.9		53.6		54.4	
Inventories	1,195.7		1,266.1		1,276.4		1,291.8		1,311.2	
Other current assets	145.1		144.1		144.1		144.1		144.1	
Tax claims	0.0		0.0		0.0		0.0		0.0	
Total current assets	1,758.6	-12.4 %	1,779.9	1.2 %	1,979.2	11.2 %	2,185.0	10.4 %	2,448.3	12.0 %
Fixed assets	1,829.9		1,889.2		1,829.0		1,778.9		1,728.8	
Goodwill	32.9		44.2		44.2		44.2		44.2	
Other intangible assets	23.0		21.4		21.4		21.4		21.4	
Financial assets	0.2		0.2		0.2		0.2		0.2	
Deferred taxes	40.7		53.4		53.4		53.4		53.4	
Other fixed assets	791.8		825.8		825.8		825.8		825.8	
Total fixed assets	2,718.5	0.0 %	2,834.3	4.3 %	2,774.1	-2.1 %	2,723.9	-1.8 %	2,673.8	-1.8 %
Total assets	4,477.1	-5.3 %	4,614.2	3.1 %	4,753.3	3.0 %	4,908.9	3.3 %	5,122.1	4.3 %
Equity & Liabilities										
Subscribed capital	48.0		48.0		48.0		48.0		48.0	
Reserves & other	130.5		130.6		130.6		130.6		130.6	
Revenue reserves	1,669.5		1,776.8		1,898.9		2,028.4		2,166.3	
Accumulated other comprehensive	0.0		0.0		1.6		4.8		51.2	
Shareholder's equity	1,948.1	2.7 %	2,033.5	4.4 %	2,157.2	6.1 %	2,289.9	6.2 %	2,474.1	8.0 %
Minorities	100.1		78.1		78.1		78.1		78.1	
Shareholder's equity incl. minorities	1,948.1	2.7 %	2,033.5	4.4 %	2,157.2	6.1 %	2,289.9	6.2 %	2,474.1	8.0 %
Long-term liabilities										
Pension provisions	5.3		7.9		8.0		8.1		8.2	
Financial liabilities	346.5		219.0		219.0		219.0		219.0	
Tax liabilities	0.0		0.0		0.0		0.0		0.0	
Other liabilities	841.9		885.2		892.5		903.2		916.8	
Total long-term debt	1,468.4	0.4 %	1,396.8	-4.9 %	1,404.1	0.5 %	1,414.9	0.8 %	1,428.6	1.0 %
Short-term debt										
Other provisions	131.4		146.6		147.8		149.6		151.8	
Trade payables	399.6		449.2		452.8		458.3		465.2	
Financial debt	90.4		191.1		191.1		191.1		191.1	
Other liabilities	409.7		359.7		362.6		367.0		372.5	
Total short-term debt	1,060.6	-22.4 %	1,183.9	11.6 %	1,192.0	0.7 %	1,204.1	1.0 %	1,219.3	1.3 %
Total equity & liabilities	4,477.1	-5.3 %	4,614.2	3.1 %	4,753.3	3.0 %	4,908.9	3.3 %	5,122.1	4.3 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

Key ratios	2024	2025	2026e	2027e	2028e
Per share data (EUR)					
EPS	7.82	8.80	10.13	10.80	11.52
Book value per share	121.8	127.2	134.8	143.1	154.6
Free cash flow per share	28.4	19.9	21.3	22.3	23.2
Dividend per share	2.40	2.40	2.50	2.70	2.90
Valuation ratios					
EV/Sales	0.43	0.29	0.40	0.37	0.32
EV/EBITDA	5.3	3.6	4.8	4.2	3.6
EV/EBIT	11.8	7.2	9.1	8.1	6.9
P/E	9.7	10.4	9.0	8.5	7.9
P/B	0.6	0.7	0.7	0.6	0.6
Dividend yield (%)	3.2	2.6	2.7	3.0	3.2
Growth					
Sales growth (%)	-1.6	0.6	0.8	1.2	1.5
EBITDA growth (%)	-2.1	0.5	4.8	3.8	4.5
EBIT growth (%)	-12.7	11.9	9.5	3.7	5.2
EPS growth (%)	-20.4	12.5	15.2	6.5	6.7
Profitability ratios					
EBITDA margin (%)	8.1	8.1	8.4	8.7	8.9
EBIT margin (%)	3.7	4.1	4.4	4.5	4.7
Net margin (%)	2.0	2.3	2.6	2.7	2.9
ROCE (%)	6.6	7.4	7.8	7.7	7.7
Financial ratios					
Total equity (EUR m)	1,948.1	2,033.5	2,157.2	2,289.9	2,474.1
Equity ratio (%)	43.5	44.1	45.4	46.6	48.3
Net financial debt (EUR m)	1,207.8	1,284.9	1,096.5	906.9	664.0
Net debt/Equity	0.4	0.4	0.5	0.5	0.5
Interest cover	4.0	4.5	4.9	5.1	5.4
Net debt/EBITDA	2.4	2.6	2.1	1.7	1.2
Payout ratio (%)	30.7	27.3	24.7	25.0	25.2
Working Capital (EUR m)	698.0	596.0	787.2	980.9	1,228.9
Working capital/Sales	0.11	0.10	0.13	0.16	0.19

Source: Company data, Quirin Privatbank estimates

Legal Disclaimer

This report was completed 24/06/2025 16:00 CEST (Delegierte Verordnung 2016/958, Artikel 3 Absatz 1e)

This document has been prepared by Quirin Privatbank AG (hereinafter referred to as „the Bank“). This document does not claim completeness regarding all the information on the stocks, stock markets or developments referred to in it. On no account should the document be regarded as a substitute for the recipient procuring information for himself/herself or exercising his/her own judgments.

The document has been produced for information purposes for institutional clients or market professionals. Private customers, into whose possession this document comes, should discuss possible investment decisions with their customer service officer as differing views and opinions may exist with regard to the stocks referred to in this document.

This document is not a solicitation or an offer to buy or sell the mentioned stock.

The document may include certain descriptions, statements, estimates, and conclusions underlining potential market and company development. These reflect assumptions, which may turn out to be incorrect. The Bank and/or its employees accept no liability whatsoever for any direct or consequential loss or damages of any kind arising out of the use of this document or any part of its content.

Any forecasts or price targets shown for companies discussed in this document may not be achieved due to multiple risk factors including without limitation market volatility, sector volatility, corporate actions, the unavailability of complete and accurate information. For investments in foreign markets and instruments there are further risks, generally based on changes in economic and political environment, changes in financial conditions of the relevant company, on exchange rate changes, etc.

The Bank and/or its employees may hold, buy or sell positions in any securities mentioned in this document, derivatives thereon or related financial products. The Bank and/or its employees may underwrite issues for any securities mentioned in this document, derivatives thereon or related financial products or seek to perform capital market or underwriting services.

The Bank reserves all the rights in this document.

The preparation of this document is subject to regulation by German Law.

Remarks regarding to U.K. clients: Distribution of this material in the U.K. is governed by the FSA Rules. This Report is intended only for distribution to Professional Clients or Eligible Counterparties (as defined under the rules of the FSA) and is not directed at Retail Clients (as defined under the rules of the FSA).

Disclosures in respect of section 85 of the German Securities Trading Act, the market abuse regulation and the Commission Delegated Regulation (EU) 2016/958

Section 85 of the German Securities Trading Act in combination with the European regulations requires an enterprise preparing a securities analyses to point possible conflicts of interest with respect to the company that is the subject of the analyses. Catalogue of potential conflicts of interest:

1. The Bank and/or its affiliate(s) own a net long or short position exceeding the threshold of 0,5% of the total issued share capital of the company that is the subject of the Research Document, calculated in accordance with Article 3 of regulation (EU) No 236/2012 and with Chapter III and IV of Commission Delegated Regulation (EU) No 918/2012
2. The company that is the subject of the Research Document owns 5% or more in the total issued share capital of the Bank and/or its affiliate(s)
3. The Bank and/or its affiliate(s) was Lead Manager or Co-Lead Manager over the previous 12 months of a public offering of analyzed company
4. The Bank and/or its affiliate(s) act as Market Maker or Designated Sponsor for the analyzed company
5. The Bank and/or its affiliate(s) over the previous 12 months has been providing investment banking services for the analyzed company for which a compensation has been or will be paid
6. The responsible analyst named in this report disclosed a draft of the analysis set forth in this Research Document to the company that is the subject of this Research Document for fact reviewing purposes and changes were made to this Research Document before publication
7. The Bank and/or its affiliate(s) effected an agreement with the analyzed company for the preparation of the financial analysis
8. The Bank and/or its affiliate(s) holds a trading position in shares of the analyzed company
9. The Bank and/or its affiliate(s) has other important financial interests in relation to the analyzed company

In relation to the security or financial instrument discussed in this analyses the following possible conflict of interest exists: (7)

The Bank have set up effective organizational administrative arrangements to prevent and avoid possible conflicts of interest and, where applicable, to disclose them. The Quirin research analysts involved in issuing research reports operate independently of Quirin Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of Quirin or clients to ensure the price sensitive information is treated according to applicable laws and regulations.

The valuation underlying the rating of the company analyzed in this report is based on generally accepted and widely used methods of fundamental valuation, such as the DCF model, Free Cash Flow Value Potential, peer group comparison and – where applicable – a sum-of-the-parts model.

We do not commit ourselves in advance to whether and in which intervals an update is made. The document and the recommendation and the estimations contained therein are not linked – whether directly or indirectly – to the compensation of the analyst responsible for the document.

All share prices given in this equity analysis are closing prices from the last trading day before the publication date stated, unless another point in time is explicitly stated.

The rating in this report are based on the analyst's expectation of the absolute change in stock price over a period of 6 to 12 months and reflect the analyst's view of the potential for change in stock price as a percentage. The BUY and SELL ratings reflect the analyst's expected high change in the value of the stock.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

Analyst certification

Ralf Marinoni, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
24.06.2025	110.00	Buy	
27.05.2025	110.00	Buy	
28.03.2025	110.00	Buy	
09.01.2025	110.00	Buy	
01.10.2024	110.00	Buy	
22.07.2024	76.76	Hold	08.04.2024

Bank distribution of ratings and in proportion to investment banking services can be found on the internet at the following address:

<https://www.quirinprivatbank.de/kapitalmarktgeschaefte/institutionelles-research>

Bank disclosures, conflict of interest on complete list of financial analysis on the last 12 month can be found on the internet at the following address:

<https://research.quirinprivatbank.de/content/disclosures>

Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Str. 108 , 53117 Bonn

Contact Quirin Privatbank AG Frankfurt am Main

Schillerhaus / Schillerstraße 20 / 60313 Frankfurt am Main

Management Board: Karl Matthäus Schmidt • Johannes Eismann •

Contact Details

Quirin Privatbank AG

Schillerhaus | Schillerstrasse 20 | 60313 Frankfurt am Main

Tel.: +49 69 2 47 50 49-0 | Fax: +49 69 2 47 50 49-44 | Institutional-Sales-FFM@quirinprivatbank.de

Equity Research	Tel.	Email
Klaus Soer	+49 (0) 69 2475049-27	klaus.soer@quirinprivatbank.de
Ralf Marinoni	+49 (0) 69 2475049-24	ralf.marinoni@quirinprivatbank.de
Sebastian Droste	+49 (0) 69 2475049-26	sebastian.droste@quirinprivatbank.de
Daniel Kukalj	+49 (0) 69 2475049-28	daniel.kukalj@quirinprivatbank.de

Equity Sales	Tel.	Email
Klaus Korzilius	+49 (0) 69 2475049-25	klaus.korzilius@quirinprivatbank.de
Klaus Messenzehl	+49 (0) 69 2475049-46	klaus.messenzehl@quirinprivatbank.de
Bruno de Lencquesaing	+49 (0) 69 2475049-81	bruno.delencquesaing@quirinprivatbank.de

Fixed Income Sales	Tel.	Email
Jürgen Raabe	+49 (0) 69 2475049-41	juergen.raabe@quirinprivatbank.de
Janine Kaiser	+49 (0) 69 24750 49-83	janine.kaiser@quirinprivatbank.de
Roman Piroutek	+49 (0) 69 2475049-47	roman.piroutek@quirinprivatbank.de

Equity Trading / Sales Trading	Tel.	Email
Jean-Marie Frémion	+49 (0) 69 2475049-90	jean-marie.fremion@quirinprivatbank.de
Peter Rumstich	+49 (0) 69 2475049-65	peter.rumstich@quirinprivatbank.de

Business Support	Tel.	Email
Suganya Sutharsan	+49 (0) 69 2475049-88	suganya.sutharsan@quirinprivatbank.de