

HORNBACH Baumarkt AG Group

Q3/9M
2017/2018

Quarterly Statement
as of November 30, 2017



HORNBACH BAUMARKT AG GROUP

Statement on 3rd Quarter and 1st Nine Months of 2017/2018 (March 1 – Nov. 30, 2017)

Key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	3 rd Quarter 2017/2018	3 rd Quarter 2016/2017	Change %	Nine Months 2017/2018	Nine Months 2016/2017	Change %
Net sales	936.5	900.9	4.0	3,109.6	2,963.4	4.9
of which: in Germany	492.2	490.0	0.5	1,658.4	1,632.8	1.6
of which in other European countries	444.3	410.9	8.1	1,451.3	1,330.6	9.1
Like-for-like sales growth	2.7%	3.0%		3.6%	4.0%	
Gross margin as % of net sales	36.4%	36.6%		37.1%	37.0%	
EBITDA	32.2	32.1	0.3	213.2	188.2	13.3
Earnings before interest and taxes (EBIT)	12.2	13.6	(10.2)	153.7	133.0	15.6
Adjusted EBIT	12.2	13.8	(11.6)	153.6	133.3	15.3
Consolidated earnings before taxes	6.3	8.9	(28.9)	137.6	117.4	17.2
Consolidated net income	4.8	5.6	(15.1)	102.8	87.1	18.0
Earnings per share (€)	0.15	0.18	(16.7)	3.23	2.74	17.9
Investments	33.8	39.9	(15.4)	83.3	113.0	(26.3)

Misc. key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	November 30, 2017	February 28, 2017	Change %
Total assets	2,001.1	1,959.9	2.1
Shareholders' equity	1,089.3	1,010.6	7.8
Shareholders' equity as % of total assets	54.4%	51.6%	
Number of stores	156	155	0.6
Sales area in 000 m ² (based on BHB)	1,822	1,806	0.9
Number of employees	18,502	18,002	2.8

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

Summary

- Consolidated sales grow 4.9% to € 3.1 billion in first nine months of 2017/2018 – like-for-like growth of 3.6%
- Nine-month operating earnings (EBIT) up 15.6% to € 153.7 million
- Full-year sales and earnings forecasts for 2017/2018 confirmed

The HORNBACH Baumarkt AG Group is on course to meet its full-year forecast given its business performance in the fall quarter (September 1 to November 30, 2017). Sales in the third quarter of 2017/2018 grew by 4.0% to € 936.5 million. Cumulatively for the first nine months, consolidated sales rose by 4.9% to € 3,109.6 million. The international HORNBACH DIY stores with garden centers continued to act as the key growth driver in the current financial year, while the German stores posted less dynamic sales growth. Mainly due a slight reduction in the gross margin, the consolidated operating earnings (EBIT) of € 12.2 million in the third quarter fell short of the previous year's figure of € 13.6 million (minus 10.2%). For the nine-month period as a whole, EBIT rose by 15.6% to € 153.7 million. This was largely driven by like-for-like sales growth shaped by the particularly dynamic performance seen in the first quarter, as well as by a slight rise in the gross margin and more favorable cost ratios in the nine-month period as a whole. The full-year sales and earnings forecast for 2017/2018 has been confirmed.

Earnings, Financial, and Net Asset Situation

Development in HORNBACH store network

We opened two new DIY megastores with garden centers in the first nine months. Since April 2017, HORNBACH has operated a store with sales areas of around 12,300 m² in The Hague (Netherlands). This was joined in November 2017 by a further location of almost 10,000 m² in Halle (Saale). We closed our store in Hanau at the end of October 2017 as the requirements for extending and modernizing the store were not met. Moreover, two further online stores went online in Slovakia (August 2017) and Sweden (October 2017). As of November 30, 2017, the HORNBACH Baumarkt AG subgroup therefore operated 156 retail stores (February 28, 2017: 155), of which an unchanged total of 98 stores in Germany, 58 stores in other European countries, and eight online stores.

Seasonal and calendar-related fluctuations

Weather conditions were slightly less favorable for the DIY retail business in Germany and the eight countries in the Other European countries region in the third quarter of the 2017/2018 financial year than in same period in the previous year. The volume of precipitation exceeded long-term averages across large parts of Europe.

The third quarter of 2017/2018 had a group-wide average of 0.9 business days fewer than the previous year's period. For the first nine-months of 2017/2018, this resulted in an average year-on-year shortfall of 1.8 business days.

Sales performance

Consolidated sales grew by 4.0% to € 936.5 million in the third quarter of 2017/2018 (2016/2017: € 900.9 million), with the level of sales momentum remaining similar to that seen in the second quarter. On a **like-for-like basis and net of currency items** [→ [Glossary](#) on Page 7], consolidated sales rose by 2.7% in the third quarter (including currency items: plus 2.4%). In the nine-month period, we improved our consolidated sales by 4.9% to € 3,109.6 million (2016/2017: € 2,963.4 million). On a like-for-like basis, group-wide net sales rose by 3.6% excluding and by 3.5% including currency items. From a geographical perspective, both the Germany region and the Other European countries region contributed to this growth.

The table below presents key sales performance data for the first three quarters of 2017/2018:

Key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	1 st Quarter 2017/2018	2 nd Quarter 2017/2018	3 rd Quarter 2017/2018	Nine Months 2017/2018
Net sales	1,130.3	1,042.7	936.5	3,109.6
Year-on-year change (in %)	6.7	3.9	4.0	4.9
Like-for-like sales growth (in %) ¹⁾	5.4	2.6	2.7	3.6
Net sales in Germany region	613.4	552.7	492.2	1,658.4
Year-on-year change (in %)	3.6	0.3	0.5	1.6
Like-for-like sales growth (in %)	3.8	0.3	0.5	1.6
Domestic share of consolidated sales (in %)	54.3	53.0	52.6	53.3
Net sales in Other European countries region	516.9	490.0	444.3	1,451.3
Year-on-year change (in %)	10.7	8.3	8.1	9.1
Like-for-like sales growth (in %) ¹⁾	7.5	5.3	5.4	6.1
International share of consolidated sales (in %)	45.7	47.0	47.4	46.7

¹⁾ Excluding currency items

Earnings performance

Key figures of the HORNBACH Baumarkt AG Group (in € million, unless otherwise stated)	3 rd Quarter 2017/2018	3 rd Quarter 2016/2017	Change in %	Nine Months 2017/2018	Nine Months 2016/2017	Change in %
Net sales	936.5	900.9	4.0	3,109.6	2,963.4	4.9
Gross profit	340.8	329.3	3.5	1,154.2	1,095.8	5.3
Gross margin as % of net sales ¹⁾	36.4	36.6	(20 bp)	37.1	37.0	10 bp
EBITDA [↔ Glossary on Page 7]	32.2	32.1	0.3	213.2	188.2	13.3
Operating earnings (EBIT)	12.2	13.6	(10.2)	153.7	133.0	15.6
Non-operating income	-	-		0.1	-	
Non-operating expenses	-	0.2		-	0.3	
Adjusted EBIT [↔ Glossary on Page 7]	12.2	13.8	(11.6)	153.6	133.3	15.3
Consolidated net income	4.8	5.6	(15.1)	102.8	87.1	18.0
Store expenses as % of net sales ¹⁾	30.0	30.0	0 bp	27.4	27.9	(50 bp)
Pre-opening expenses as % of net sales ¹⁾	0.1	0.1	0 bp	0.1	0.1	0 bp
Administration expenses as % of net sales ¹⁾	5.3	5.3	0 bp	4.9	4.7	20 bp

¹⁾ Year-on-year change in base points (bp)

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 13.

3rd quarter of 2017/2018 (September 1 to November 30, 2017)

Key data concerning the earnings performance in the third quarter:

- Gross profit showed slightly less marked growth than sales, rising by 3.5% to € 340.8 million (2016/2017: € 329.3 million). As a result, the gross margin decreased from 36.6% to 36.4%. The reduction in the **gross margin** [[↔ Glossary on Page 8](#)] was mainly due to higher procurement prices partly resulting from exchange rate factors.
- Selling and store expenses rose by 4.1%, and thus more or less in line with sales, in the period under report. At 30.0%, the **store expense ratio** [[↔ Glossary on Page 8](#)] was therefore at the previous year's level.
- General and administration expenses rose by 4.2%, and thus slightly faster than sales, a development due in particular to the disproportionate increase in expenses incurred to expand e-commerce activities. As in the previous year, the **administration expense ratio** [[↔ Glossary on Page 8](#)] came to 5.3%.
- EBITDA increased by 0.3% to € 32.2 million in the third quarter of 2017/2018 (2016/2017: € 32.1 million). Operating earnings (EBIT) fell by 10.2% to € 12.2 million (2016/2017: € 13.6 million). There were no non-operating income and expense items in the quarter under report. **Adjusted operating earnings** (adjusted EBIT) therefore correspond to EBIT.
- Mainly as a result of negative currency items, **net financial expenses** fell from minus € 4.7 million to minus € 5.9 million.
- **Consolidated earnings before taxes** fell by 28.9% to € 6.3 million (2016/2017: € 8.9 million). **Consolidated net income** declined by 15.1% to € 4.8 million (2016/2017: € 5.6 million). **Earnings per share** came to € 0.15 in the third quarter of 2017/2018 (2016/2017: € 0.18).

1st nine months of 2017/2018

Following strong growth in the first half of the year, **operating earnings (EBIT)** for the period from March to November 2017 grew by 15.6% to € 153.7 million (2016/2017: € 133.0 million). **Adjusted operating earnings** showed cumulative growth of 15.3% to € 153.6 million (2016/2017: € 133.3 million).

Due above all to higher negative currency items, **net financial expenses** deteriorated from minus € 15.6 million to minus € 16.2 million. **Consolidated earnings before taxes** rose by 17.2% to € 137.6 million (2016/2017: € 117.4 million). Based on a tax rate of 25.3% (2016/2017: 25.8%), **consolidated net income** grew by 18.0% to € 102.8 million (2016/2017: € 87.1 million). Cumulative **earnings per Baumarkt share** came to € 3.23 (2016/2017: € 2.74).

Financial and asset situation

Investments fell from € 113.0 million in the previous year's period to € 83.3 million in the first nine months of the current 2017/2018 financial year, with this reduction being due to a lower volume of investments in land and buildings. Overall, land and buildings accounted for around 53% of total investments (2016/2017: 69%). The remaining investments were channeled into plant and office equipment at new and existing stores and intangible assets (mainly IT software). Investments were fully financed by the cash flow of € 154.0 million from operations (2016/2017: € 176.3 million). Information about the financing and investing activities of the HORNBACH Baumarkt AG Group can be found in the cash flow statement on Page 12.

Total assets grew to € 2,001.1 million as of November 30, 2017, up 2.1% on the balance sheet date on February 28, 2017. The significant increase in cash and cash equivalents by € 61.6 million was due among other factors to the complete reclassification back to cash of current financial assets, which at the balance sheet date had still amounted to € 30.0 million. Shareholders' equity as reported in the balance sheet rose to € 1,089.3 million, up 7.8% compared with the balance sheet date. The **equity ratio** [→ [Glossary](#) on Page 8] rose from 51.6% to 54.4% as of November 30, 2017. **Net financial debt** [→ [Glossary](#) on Page 8] fell from € 309.9 million (including current financial assets) to € 259.2 million as of November 30, 2017.

Other Disclosures

Employees

The HORNBACH Baumarkt AG Group had a total of 18,502 employees across Europe at the reporting date on November 30, 2017 (February 28, 2017: 18,002).

Contingent liabilities and other financial obligations

These mainly involve obligations for rental, hiring, leasehold and leasing contracts for which the companies of the HORNBACH Baumarkt AG Group do not constitute the economic owners of the assets thereby leased pursuant to IFRS regulations (operating lease). These amounted to € 977.3 million at the end of the third quarter as of November 30, 2017 (February 28, 2017: € 1,013.1 million).

Information about figures stated

The figures reported have been rounded up or down to the nearest million euro amounts. Discrepancies may therefore arise between the various figures presented. Percentages have been calculated on the basis of thousand euro amounts.

Outlook

The outlook and other statements made concerning the expected performance of the Group in the 2017/2018 financial year have not changed materially compared with the assessments published in the 2016/2017 Annual Report of the HORNBACH Baumarkt AG Group.

The Board of Management can confirm the sales and earnings forecast for the 2017/2018 financial year published on Pages 81 to 84 of the 2016/2017 Annual Report. Accordingly, the company still expects to generate consolidated sales growth in a medium single-digit percentage range. With regard to the earnings forecast, the company still expects its operating earnings (EBIT) to slightly exceed the figure for the previous year (€ 97.5 million) and its EBIT net of non-operating income and expenses to roughly match the figure for the 2016/2017 financial year (€ 102.8 million).

Glossary of Alternative Key Performance Figures

In this quarterly statement we also refer to the following alternative 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.

Like-for-like sales net of currency items (change in %)	<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>	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.
EBITDA	<i>Alternative key performance figure to comment on earnings performance</i>	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).
Adjusted EBIT	<i>Alternative key performance figure to comment on operating earnings performance</i>	This key figure is calculated by deducting non-operating earnings items from earnings before interest and taxes (EBIT). Non-operating expenses (e.g. impairment losses on assets, additions to provisions for onerous contracts) are added to EBIT, while non-operating income (e.g. income from disposal of real estate, income from write-backs of assets impaired in previous years) are deducted from EBIT. The adjusted EBIT figure is therefore particularly useful for comparing the operating earnings performance over time or in forecasts.

Cost ratios	<i>Alternative key performance figures for the development in store, pre-opening, and administration expenses as a percentage of net sales</i>	<p>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, costs of premises, and advertising expenses, as well as depreciation, amortization, and general operating expenses, such as transport expenses, service and maintenance.</p> <p>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 premises, and administration expenses.</p> <p>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 expenses and in particular the expenses incurred for the increasing digitization of our business model (multichannel retail).</p>
Equity ratio	<i>Alternative key performance figure to comment on asset situation</i>	<p>The equity ratio is derived by dividing shareholders' equity as reported in the balance sheet (equity posted) by total capital (balance sheet total).</p>
Net financial debt	<i>Alternative key performance figure to comment on financial situation</i>	<p>Net financial debt is calculated as the total of current and non-current financial debt less cash and cash equivalents and – where applicable – less current financial assets. To avoid negative interest rates on cash deposits, from the beginning of the 2016/2017 financial year part of the company's cash and cash equivalents has been reclassified as near-liquid current financial assets with terms of more than three and up to a maximum of twelve months. These fixed-term deposit investments had been repaid in full as of November 30, 2017. The inclusion of current financial assets in the calculation of net financial debt enhances comparability with the previous period.</p>
Gross margin	<i>Further key performance figure to comment on earnings performance</i>	<p>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.</p>

Income Statement

€ million ¹⁾	3 rd Quarter 2017/2018	3 rd Quarter 2016/2017	Change %	Nine Months 2017/2018	Nine Months 2016/2017	Change %
Sales	936.5	900.9	4.0	3,109.6	2,963.4	4.9
Cost of goods sold	595.8	571.6	4.2	1,955.5	1,867.6	4.7
Gross profit	340.8	329.3	3.5	1,154.2	1,095.8	5.3
Selling and store expenses	280.9	269.8	4.1	852.6	826.6	3.1
Pre-opening expenses	0.8	1.2	(31.0)	2.9	4.0	(26.5)
General and administration expenses	49.7	47.7	4.2	153.0	139.8	9.4
Other income and expenses	2.8	3.0	(5.7)	8.1	7.6	5.8
Earnings before interest and taxes (EBIT)	12.2	13.6	(10.2)	153.7	133.0	15.6
Interest and similar income	0.2	0.2	(10.3)	0.5	0.7	(19.9)
Interest and similar expenses	4.2	4.1	1.0	12.9	14.4	(10.3)
Other financial result	(1.9)	(0.8)	>100	(3.8)	(1.9)	>100
Net financial expenses	(5.9)	(4.7)	25.2	(16.2)	(15.6)	3.6
Consolidated earnings before taxes	6.3	8.9	(28.9)	137.6	117.4	17.2
Taxes on income	1.5	3.3	(52.9)	34.8	30.3	14.7
Consolidated net income	4.8	5.6	(15.1)	102.8	87.1	18.0
Basic/diluted earnings per share (€)	0.15	0.18	(16.7)	3.23	2.74	17.9

¹⁾ Previous year's figures adjusted; please see "Amendments in statement" in 2016/2017 Annual Report (Page 92 onwards).

Statement of Comprehensive Income

€ million	3 rd Quarter 2017/2018	3 rd Quarter 2016/2017	Nine Months 2017/2018	Nine Months 2016/2017
Consolidated net income	4.8	5.6	102.8	87.1
Actuarial gains and losses on defined benefit plans	1.2	6.2	3.2	0.0
Deferred taxes on actuarial gains and losses on defined benefit plans	(0.2)	(1.1)	(0.6)	0.0
Other comprehensive income that will not be recycled at a later date	1.0	5.0	2.6	0.0
Measurement of derivative financial instruments (cash flow hedge)				
Measurement of derivative hedging instruments directly in equity ¹⁾	0.0	0.0	0.0	0.0
Gains and losses from measurement of derivative financial instruments transferred to profit or loss	0.0	0.0	0.0	0.7
Measurement of available for sale financial assets	0.0	0.0	0.0	1.9
Exchange differences arising on the translation of foreign subsidiaries	0.4	1.2	(5.0)	0.4
Deferred taxes on gains and losses recognized directly in equity	0.0	0.0	0.0	(0.2)
Other comprehensive income that will be recycled at a later date	0.4	1.2	(5.0)	2.8
Total comprehensive income	6.1	11.8	100.4	89.9

¹⁾ Represents the residual value of fair value changes and recognized changes in the value of corresponding hedge instruments in the period under report.

Balance Sheet

Assets	November 30, 2017		February 28, 2017	
	€ million	%	€ million	%
Non-current assets				
Intangible assets	18.5	0.9	15.2	0.8
Property, plant, and equipment	1,095.4	54.7	1,087.1	55.5
Investment property	18.5	0.9	16.2	0.8
Financial assets	5.7	0.3	5.7	0.3
Non-current receivables and other assets	3.4	0.2	3.6	0.2
Deferred tax assets	4.1	0.2	3.8	0.2
	1,145.5	57.2	1,131.7	57.7
Current assets				
Inventories	620.2	31.0	626.1	31.9
Current financial assets	0.0	0.0	30.0	1.5
Trade receivables	9.2	0.5	8.2	0.4
Other current assets	49.8	2.5	43.1	2.2
Income tax receivables	1.5	0.1	7.7	0.4
Cash and cash equivalents	174.6	8.7	113.0	5.8
Non-current assets held for sale and disposal groups	0.3	0.0	0.0	0.0
	855.6	42.8	828.2	42.3
	2,001.1	100.0	1,959.9	100.0

Equity and liabilities	November 30, 2017		February 28, 2017	
	€ million	%	€ million	%
Shareholders' equity				
Share capital	95.4	4.8	95.4	4.9
Capital reserve	143.6	7.2	143.6	7.3
Revenue reserves	850.3	42.5	771.6	39.4
	1,089.3	54.4	1,010.6	51.6
Non-current liabilities				
Non-current financial debt	415.0	20.7	424.3	21.7
Provisions for pensions	11.7	0.6	15.2	0.8
Deferred tax liabilities	28.2	1.4	27.5	1.4
Other non-current liabilities	38.1	1.9	36.4	1.9
	492.9	24.6	503.4	25.7
Current liabilities				
Current financial debt	18.8	0.9	28.6	1.5
Trade payables	185.8	9.3	244.5	12.5
Other current liabilities	113.1	5.6	82.6	4.2
Income tax liabilities	25.1	1.3	13.4	0.7
Other provisions and accrued liabilities	76.1	3.8	76.7	3.9
	418.8	20.9	445.8	22.7
	2,001.1	100.0	1,959.9	100.0

Statement of Changes in Equity

Nine Months 2016/2017 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Total equity
Balance at March 1, 2016	95.4	143.6	(0.5)	36.8	697.6	972.9
Consolidated net income					87.1	87.1
Actuarial gains and losses on defined benefit plans, net after taxes					0.0	0.0
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.5			0.5
Measurement of available-for-sale financial assets, net after taxes					1.9	1.9
Foreign currency translation				0.4		0.4
Total comprehensive income			0.5	0.4	89.0	89.9
Dividend distribution					(21.6)	(21.6)
Treasury stock transactions					0.1	0.1
Balance at November 30, 2016	95.4	143.6	0.0	37.2	765.0	1,041.2

Nine Months 2017/2018 € million	Share capital	Capital reserve	Hedging reserve	Cumulative currency translation	Other revenue reserves	Total equity
Balance at March 1, 2017	95.4	143.6	0.0	39.3	732.3	1,010.6
Consolidated net income					102.8	102.8
Actuarial gains and losses on defined benefit plans, net after taxes					2.6	2.6
Measurement of derivative financial instruments (cash flow hedge), net after taxes			0.0			0.0
Measurement of available-for-sale financial assets, net after taxes					0.0	0.0
Foreign currency translation				(5.0)		(5.0)
Total comprehensive income			0.0	(5.0)	105.4	100.4
Dividend distribution					(21.6)	(21.6)
Treasury stock transactions					(0.1)	(0.1)
Balance at November 30, 2017	95.4	143.6	0.0	34.3	816.0	1,089.3

Cash Flow Statement

€ million	Nine Months 2017/2018	Nine Months 2016/2017
Consolidated net income	102.8	87.1
Depreciation and amortization of non-current assets	59.6	55.2
Change in provisions	2.8	2.8
Gains/losses on disposals of non-current assets and of non-current assets held for sale	(0.4)	0.7
Change in inventories, trade receivables and other assets	1.6	10.1
Change in trade payables and other liabilities	(14.6)	20.0
Other non-cash income/expenses	2.3	0.4
Cash flow from operating activities	154.0	176.3
Proceeds from disposal of non-current assets and of non-current assets held for sale	1.1	1.2
Payments for investments in property, plant, and equipment	(77.1)	(108.5)
Payments for investments in intangible assets	(6.2)	(4.5)
Cash received/paid for investments in connection with short-term finance planning	30.0	(50.0)
Cash flow from investing activities	(52.2)	(161.8)
Dividends paid	(21.6)	(21.6)
Repayment of long-term debt	(2.8)	(82.7)
Change in current financial debt	(14.6)	3.3
Cash flow from financing activities	(39.0)	(101.0)
Cash-effective change in cash and cash equivalents	62.8	(86.6)
Change in cash and cash equivalents due to changes in exchange rates	(1.2)	0.0
Cash and cash equivalents at March 1	113.0	283.0
Cash and cash equivalents at November 30	174.6	196.4

Segment Report

Nine Months 2017/2018 in € million Nine Months 2016/2017 in € million	Retail	Real estate	Headquarters and consolidation	HORNBACH Baumarkt AG Group
Segment sales	3,108.6	129.6	(128.6)	3,109.6
	2,962.2	125.0	(123.8)	2,963.4
Sales to third parties	3,108.6	0.0	0.0	3,108.6
	2,962.1	0.0	0.0	2,962.1
Rental income from third parties	0.0	1.0	0.0	1.0
	0.0	1.2	0.0	1.2
Rental income from affiliated companies	0.0	128.6	(128.6)	0.0
	0.0	123.8	(123.8)	0.0
Segment earnings (EBIT)	111.1	55.9	(13.3)	153.7
	97.9	49.5	(14.3)	133.0
Depreciation and amortization/write-ups	29.4	23.6	6.5	59.5
	28.2	22.1	4.9	55.2
EBITDA	140.4	79.5	(6.7)	213.2
	126.1	71.5	(9.4)	188.2
Segment assets	921.1	948.1	126.2	1,995.4
	889.8	915.5	190.6	1,995.9
of which: credit balances at banks	82.3	0.0	70.2	152.4
	82.9	0.0	90.2	173.1

Reconciliation in € million	Nine Months 2017/2018	Nine Months 2016/2017
Segment earnings (EBIT) before "Headquarters and consolidation"	167.0	147.4
Headquarters	(13.3)	(14.3)
Net financial expenses	(16.2)	(15.6)
Consolidated earnings before taxes	137.6	117.4

FINANCIAL CALENDAR 2018

March 22, 2018	Trading Statement 2017/2018
May 24, 2018	Annual Results Press Conference 2017/2018 Publication of Annual Report DVFA Analysts' Conference
June 22, 2018	Quarterly Statement: 1 st Quarter of 2018/2019 dated May 31, 2018
July 5, 2018	Annual General Meeting Festhalle Landau, Landau/Pfalz
September 27, 2018	Half-Year Financial Report 2018/2019 as of August 31, 2018
December 20, 2018	Quarterly Statement: 3 rd Quarter of 2018/2019 as of November 30, 2018

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DISCLAIMER

This quarterly statement 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.