

# **HORNBACH HOLDING AG**

## **DVFA Analyst Meeting**

**Albrecht Hornbach**  
**CEO**

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Frankfurt am Main

# DIY industry to suffer from retail environment in Germany

- Consumer confidence depressed by weak economy and labour market
- HDE:  
„2002 will presumably be one of the weakest years in German retail history.“
- Statistisches Bundesamt: *January to June 2002*  
Retail *minus 3,7% in real terms*  
Nonfood/DIY *minus 9,6% in real terms*
- BHB: *January to July 2002*  
DIY Germany *minus 5% on like-for-like*

**The competition as a whole is affected by the poor business environment.**

# But: How to cope with the crisis makes the difference

## Option 1

### To go with the flow

- Aiming at short term success
- Reducing costs
- Reducing service
- Keeping up prices
- Cutting back expansion

## Option 2

### To benefit from the situation

- Focusing on long term value
- Ensuring quality
- Enhancing customer focus
- Ensuring best prices
- Continuing expansion

Maximising of earnings

→ Loosing sales  
& market share

→ Erosion of earnings

SHORT TERM

LONG TERM

Dent of gross profit

→ Gaining market share  
& better market position

→ Leadership in profitability



**Investment in first class  
locations - both nationally and  
internationally**

# Investment in branding



Image building by national marketing campaign



# Investment in branding



Übrigens,  
73% unserer  
Kunden  
sind Männer.



Es gibt zwei  
Arten von  
Menschen: Die  
einen reden  
darüber, die  
anderen tun es.

**HORNBACH**  
Es gibt immer was zu tun.

**HORNBACH**

Es gibt immer was zu tun.

Farben  
Tapeten  
Sonnenschutz

**SPEZIAL**

Bauen Heimwerken Dekoration Garten

**Verrückt nach Farbe?**

**GUT**

**25,-**

**29,-**

## New Corporate Identity

**HORNBACH**

Es gibt immer was zu tun.



Customer focus:  
service and price

# Investment in people and organisation



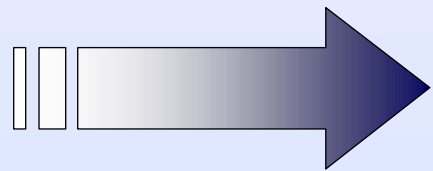
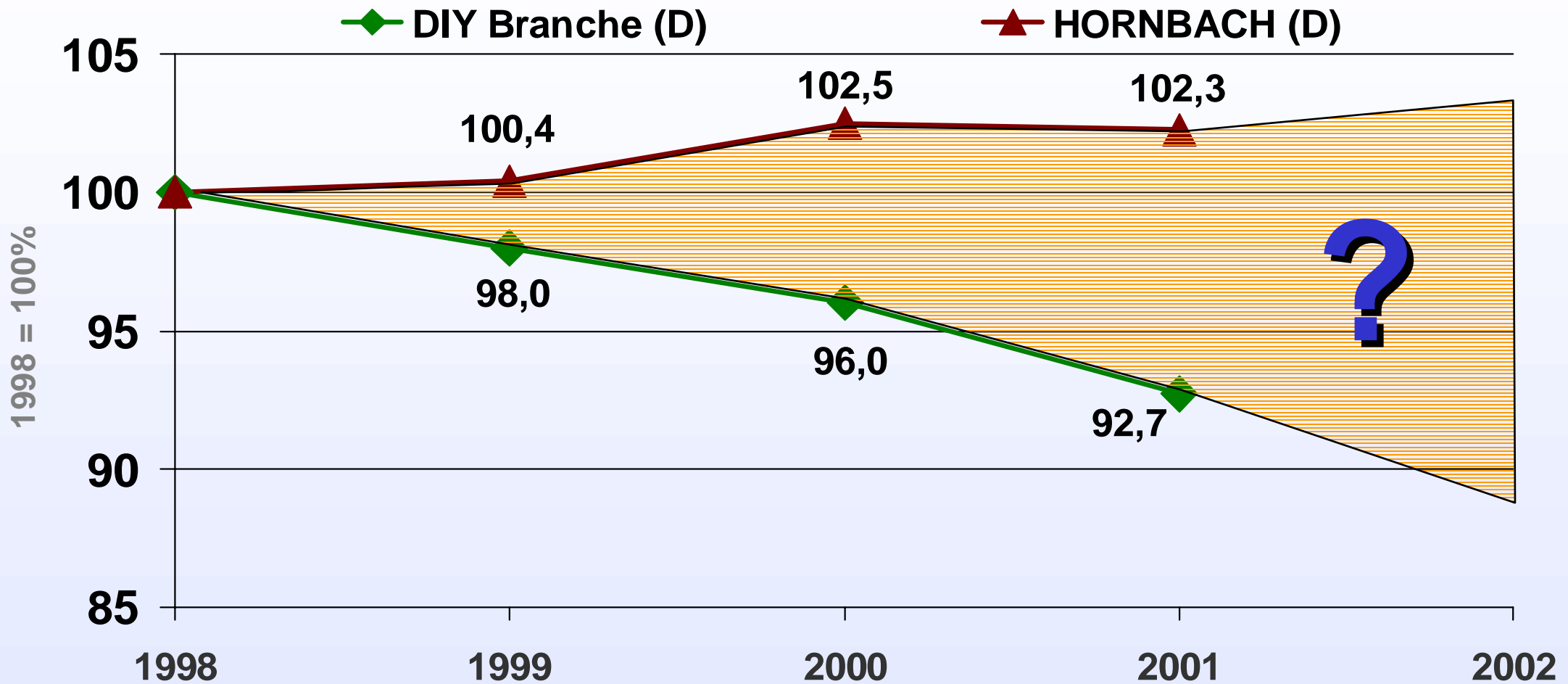
## Investment in training

- 3000 EURO\*
- 4% of labour costs
- 15-20% of EBT



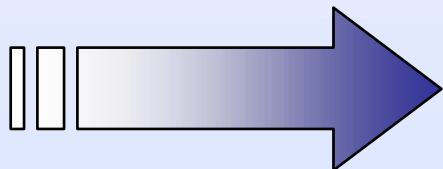
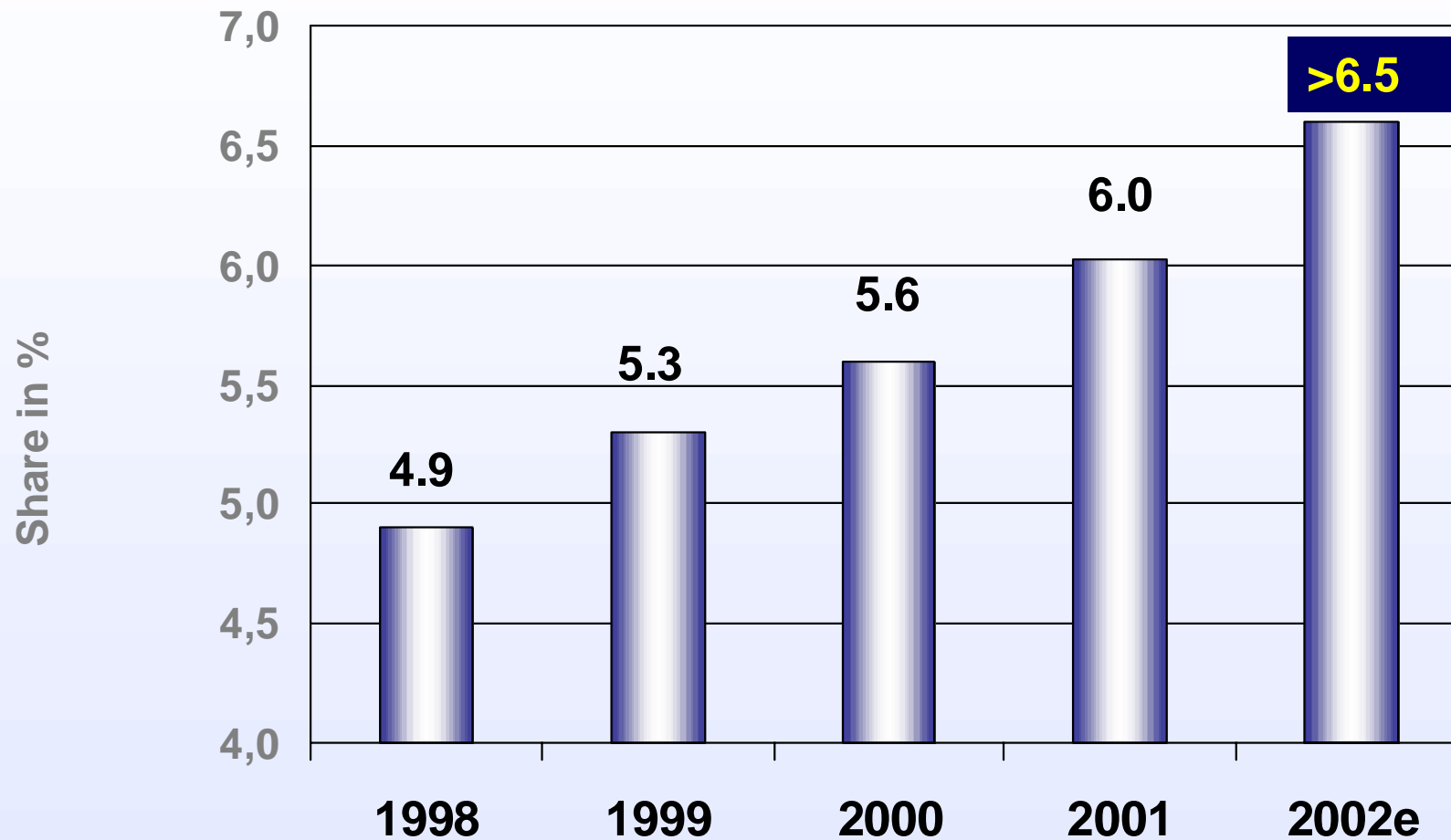
*\*accumulated figures for full-time staff 1999 to 2001*

# DIY like-for-like sales in Germany



**The gap is widening:**  
Since 1998 HORNBAACH is outperforming the DIY industry.

# Market share in German DIY industry increased



**HORNBAACH** has continuously strengthened its market position