

Quarterly Statement

— BayWa Group **1/2022**

The BayWa logo consists of a solid green square with the word "BayWa" written in white, sans-serif font inside it.

BayWa

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Amounts are stated in millions of euros and rounded to one decimal place, unless otherwise stated. This may result in minor discrepancies in sum totals and when calculating percentages.

For reasons of readability, gender-specific wording and formal reference to all gender identities are not used. The selected form stands for all genders (m/f/other).

Quarterly Statement¹

Overview of Business Performance of the BayWa Group

Very strong start to 2022 – operating segments set new revenue and earnings records

- BayWa Group: Earnings before interest and tax (EBIT) more than tripled year on year to €144.9 million
- Renewable Energies Segment: boom in solar and energy trading; BayWa r.e. AG sells two major projects in the US
- Energy Segment benefits from high willingness to stockpile heat energy carriers
- Cefetra Group Segment and Agri Trade & Service Segment take advantage of the rally in crop and fertilizer prices
- Agricultural Equipment Segment records continued high demand in agricultural equipment business
- Global Produce Segment has a better start to the new fruit marketing season than in the previous year
- Building Materials Segment: business flourishes despite price increases for building materials

BayWa AG is continuing on its growth course and reports a year-on-year rise in revenues of 54% to roughly €6.3 billion for the first three months of the financial year 2022 (Q1/2021: €4.1 billion). Earnings before interest and tax grew significantly in the reporting period, from €45.1 million in the same quarter of the previous year to €144.9 million. The positive business development was reflected in all three operating business units: Energy, Agri Trade & Service and Building Materials. BayWa benefited from its diversified business model, its active risk management and a broad network of suppliers. This ensured the continuity of supply in all product groups, despite the global supply bottlenecks. In addition, the strong development in the first quarter was spurred by anticipatory effects and external one-off factors, which negated the typical seasonal business trend.

The Renewable Energies Segment was instrumental in the Group's strong earnings performance, with continued high demand for solar modules and the sale of two major projects in the US leading to a significant jump in earnings compared to the same period in the previous year. The two major projects in the state of Texas comprised a 266 megawatt-peak (MW_p) solar park and project rights to a battery storage system with an output of 200 MW. The Energy Trading division of BayWa r.e. AG also benefited from the sharp rise in electricity prices in energy trading. The Energy Segment experienced a noticeable increase in heat energy carrier sales, likely caused by the fear of further hikes in oil prices.

The Cefetra Group Segment was able to take advantage of brisk trade and the rally on international grain exchanges, helping it to record a considerable increase in earnings year on year. The Agri Trade & Service Segment saw a recovery in agricultural inputs. In addition, agricultural business profited from higher fertilizer prices. Increased producer prices and the German federal government's support programme, known as the "Bauernmilliarde" (farmers' billion), led to consistently strong demand for agricultural machinery in the Agricultural Equipment Segment. The Global Produce Segment got off to a more positive start than in the previous year. In New Zealand, conditions for growing pome fruit were much better than in the previous year, in which crops suffered hail damage. This led to improved quality of apples primarily sold in New Zealand and Asia. However, export logistics remain a challenge for the time being for international fruit trade activities.

In the first quarter of 2022, the Building Materials Segment was able to considerably reduce the seasonal loss usually incurred at the start of the year. This factor is likely to have a positive impact on earnings in subsequent quarters. In light of the strong demand and rising prices for building materials, BayWa's building materials trading primarily benefited from its wide range of products and unaffected delivery capability, as well as from relatively mild weather conditions, which permitted virtually unrestricted construction activity in the reporting period.

Several simultaneous one-off factors, such as uncertainty on the markets due to the coronavirus pandemic and the war in Ukraine, harbour the risk of high volatility on the raw materials markets, which could lead to huge distortions in trading activities. In light of the resulting negative impact on the global economy, BayWa's performance in the first quarter 2022 cannot be extrapolated to the year as a whole and the forecasts for BayWa AG's business development in the financial year 2022 are associated with uncertainty. Nevertheless, the prospects for the BayWa Group are likely to remain positive on account of the broad business portfolio of essential goods and services.

¹ This quarterly statement was prepared in accordance with IFRS principles. It is not an interim financial report in accordance with IAS 34 or a financial statement in accordance with IAS 1.

Highlights in the first quarter of 2022

- Marcus Pöllinger will become the new Chief Executive Officer of BayWa AG, Munich, effective 1 April 2023.
- Cefetra Limited boosts grain business in Scotland and purchases two granaries
- TFC Holland B.V., a subsidiary of BayWa Global Produce GmbH that trades in exotic fruits, invests in a new location in the south of the Netherlands and develops collaborations in Africa
- RWA Raiffeisen Ware Austria AG expands its activities in the field of feedstuffs by acquiring the Serbian mixed feed company Patent Co.
- BayWa share achieves all-time high
- New sustainability report published at the start of April

Asset Development from 1 January to 31 March 2022

The BayWa Group's total assets stood at €13,142.3 million as at the end of the first quarter of the current reporting year and were therefore €1,370.9 million, or 11.6%, higher than at the end of the financial year 2021. This development was due mainly to the typical seasonal rise in trade receivables, as well as an increase in current assets from derivatives.

In the first quarter of 2022, equity rose by €80.3 million compared to the end of the financial year 2021, or 4.4%, to €1,896.4 million, in particular because of the positive consolidated net result for the first quarter of 2022.

At €4,631.8 million, non-current liabilities as at 31 March 2022 are on a par with the figure at the end of the financial year 2021. Current liabilities increased by 24.5% to €6,614.1 million in the first quarter of 2022. The rise resulted in particular from trade payables, which increased by €398.8 million. The development was due to seasonal factors and reflects the growth in inventories and receivables. Alongside assets from derivatives, current liabilities from derivatives also rose by €530.6 million.

Earnings Development from 1 January to 31 March 2022

The BayWa Group's revenues grew by €2,190.4 million, or 53.9%, year on year to €6,257.0 million in the first quarter of 2022. This increase was driven in particular by the Renewable Energies Segment (up €931.4 million to €1,593.5 million), the Agri Trade & Service Segment (up €402.0 million to €1,397.9 million) and Cefetra Group (up €369.2 million to €1,434.1 million). There was also a rise in other operating income by €21.4 million year on year to €97.2 million, primarily due to an increase in the remaining operating income. By contrast, changes in inventories of minus €121.6 million were €247.9 million lower than in the first quarter of 2021. At €6,236.4 million, the BayWa Group's gross revenues were up by €1,964.2 million year on year.

Cost of materials rose by €1,777.1 million, or 47.9%, to €5,491.0 million in line with the increase in revenues. As a result, gross profit climbed by €187.1 million year on year, or 33.5%, to €745.4 million in the first quarter of 2022.

The increase in personnel expenses by €42.5 million, or 14.4%, to €338.0 million was primarily due to the rise in the number of employees, particularly in the Renewable Energies Segment.

Other operating expenses rose by €45.1 million, or 28.7%, to €202.3 million, mainly as a result of currency effects and higher energy and IT-related expenses. At €61.6 million, depreciation and amortisation of property, plant and equipment and intangible assets were up slightly on the previous year (Q1/2021: €57.9 million).

The result of operating activities amounted to a gain of €143.5 million and was therefore €95.8 million higher than the level seen in the first quarter of 2021.

Income from participating interests of €1.4 million was €4.0 million higher than the previous-year figure of minus €2.6 million. This is attributable entirely to rising income from participating interests recognised at equity.

The BayWa Group’s earnings before interest and tax (EBIT) stood at €144.9 million in the first quarter of 2022 and were €99.8 million higher than the EBIT in the first quarter of 2021.

Compared to the same period of last year, net interest in the first three months of the financial year 2022 fell by €13.6 million to minus €37.8 million.

Including tax expenses of €30.5 million, this resulted in a positive consolidated net result of €76.6 million for the first quarter of 2022, which was €61.9 million higher than the previous-year figure.

Business Performance of the Segments from 1 January to 31 March 2022

Energy business unit

In € million	Revenues			EBIT		
	Q1/2022	Q1/2021	Change in %	Q1/2022	Q1/2021	Change in %
Renewable Energies Segment	1,593.5	662.1	> 100	63.9	33.7	89.6
Energy Segment	649.2	377.3	72.1	8.4	3.3	> 100
Energy business unit	2,242.7	1,039.4	> 100	72.3	37.0	95.4

The BayWa Group’s energy business unit consists of the Energy Segment and the Renewable Energies Segment. The Energy Segment comprises trading activities in fossil and renewable heating oils, motor fuels and lubricants, and also provides heating and mobility solutions. The Renewable Energies Segment covers significant parts of the renewable energies value chain, in particular all project business involving wind farms and solar parks and trading with photovoltaic components. The portfolio of services is rounded off by technical and commercial plant management and energy trading.

At BayWa r.e. AG, two major projects were sold in the reporting quarter. The “Corazon I” and “Guajillo” power plants, both in the US state of Texas, were sold to the Texas-based Italian energy company Eni New Energy US Inc. The solar park has an output of 266 MW_p. The adjoining battery storage system has an output of 200 MW, which is used to store excess electricity from “Corazon I” and to support the national grid in times of peak consumption. Only the project rights to the storage system were sold. A wind farm in Italy with a total output of 18 MW was also sold. Photovoltaic and energy trading in particular contributed to the sharp rise in this segment’s earnings. Solar module trade recorded brisk demand for the season, resulting in a further increase in sales compared to the already high previous year. Energy trading also performed well, benefiting from high electricity prices on the energy exchanges at present. Overall, the Renewable Energies Segment recorded a significant jump in EBIT of approximately €30.2 million year on year to a total of €63.9 million.

The Energy Segment’s EBIT is also above the figure for the same period in 2021, due to higher sales volumes in the heating and fuel business. The average crude oil price was around 70% higher year on year in the first quarter of 2022. Experts believe that the war in Ukraine and the associated unease on the global raw materials markets are the main reasons for this huge price hike. These factors are likely to have led to panic buying as end customers fear that prices could increase further or that the supply of heating oil or fuels could be affected. Added to this are catch-up effects as the stocks of heating oil were below average in the previous year. At the same time, the gradual easing of coronavirus measures has boosted travel and therefore stimulated demand for fuels. Sales of wood pellets also rose slightly because of capacity expansion in the previous years. Only the lubricant business recorded a slight drop in sales, but the other product groups more than made up for this. All told, the Energy Segment’s EBIT was up by €5.1 million to €8.4 million.

Agriculture business unit

In € million	Revenues			EBIT		
	Q1/2022	Q1/2021	Change in %	Q1/2022	Q1/2021	Change in %
Cefetra Group Segment ¹	1,434.1	1,064.9	34.7	17.1	11.0	55.5
Global Produce Segment	224.3	216.0	3.8	7.3	1.0	> 100
Agri Trade & Service Segment ¹	1,397.9	995.9	40.4	58.7	14.7	> 100
Agricultural Equipment Segment	476.0	370.7	28.4	11.3	4.5	> 100
Agriculture business unit	3,532.3	2,647.5	33.4	94.4	31.2	> 100

¹ The previous year's revenues have been adjusted in accordance with IAS 8.42. Further details are available in Note A.7 of the Notes to the Consolidated Financial Statements for 2021.

The agriculture business unit is divided into four segments: Cefetra Group, Global Produce, Agri Trade & Service and Agricultural Equipment. The Cefetra Group and Agri Trade & Service Segments cover international and national trade in agricultural products and agricultural inputs. The Global Produce Segment encompasses global trade with fruit and vegetable fruits. The Agricultural Equipment Segment trades in agricultural machinery and plants and offers a wide range of services.

The Cefetra Group Segment saw a year-on-year increase in EBIT of €6.1 million to €17.1 million in total in the first three months of the current financial year. The positive trend in product trade made a significant contribution to this. Worldwide, prices for most types of grain were at least 70% higher year on year due to the war in Ukraine and unfavourable weather conditions in some parts of the US. At the end of the reporting period, wheat prices reached new record highs on markets around the world. The uncertainties on grain markets led to more pronounced price fluctuations, which resulted in trading opportunities for standard products at the Cefetra Group. The specialities business also performed well, especially in the fields of proteins and starch products.

Business in the Agri Trade & Service Segment is moving in a similarly positive direction. The war in Ukraine has led to major supply insecurity in the agriculture sector and prompted farmers to stock up on agricultural inputs despite high prices. The price of fertilizer in particular has rocketed because rising gas prices are above all affecting the production costs of nitrogen fertilizer. After fertilizer prices had already tripled in the second half of 2021 due to high natural gas prices, the war in Ukraine resulted in a further steep increase: fertilizer imports from Russia by western firms were largely halted following the extension of economic sanctions. The fertilizer price index climbed to its highest ever level at the end of the reporting period. Nevertheless, BayWa was able to maintain its delivery capability in its sales regions despite the worldwide supply bottlenecks. A broad portfolio of suppliers and active inventory management were key factors here. Fertilizer sales were up considerably year on year; however, this anticipatory effect is likely to even out in the course of the financial year. The fertilizer stockpiled at the end of the financial year 2021 was sold at improved prices in the reporting period and, together with strong product trade and stable demand for seed, was instrumental in the Agri Trade & Service Segment's positive earnings development. BayWa's subsidiary in Austria and in Eastern Europe is recording a similarly positive business trend in both product and agricultural input trade. This led to a significant jump in the Agri Trade & Service Segment's EBIT from €14.7 million in the first quarter of 2021 to €58.7 million in total in the reporting period.

The Agricultural Equipment Segment had a strong first quarter and was able to more than double EBIT year on year. Business development was buoyed by a healthy order backlog from the previous year and a continued high propensity to invest among farmers. Overall, the segment increased sales by just under 40% year on year for new machinery. Demand was also strong for maintenance and servicing, while spare parts and servicing from 2021 were invoiced in the first quarter of 2022 due to delayed deliveries. High producer prices and a large number of subsidy programmes should provide additional incentives to buy. The high propensity to invest is probably also attributable to price increases announced by manufacturers. All in all, this led to growth in EBIT in the Agricultural Equipment Segment of €6.8 million to €11.3 million. However, it should be borne in mind that the Agricultural Equipment Segment began 2022 with a very high order backlog. Furthermore, producers are starting to experience increasing supply bottlenecks that could result in delays and problems in the months ahead.

EBIT in the Global Produce Segment also rose sharply. In New Zealand, conditions for growing pome fruit were much better than in the previous year, in which crops suffered hail damage. In addition, workers are significantly easier to find in the current season than in 2021, when there were shortages caused by the coronavirus pandemic. The earlier award of further "Envy" cultivation licences as well as currency effects also contributed to the improvement in earnings. Overall, fruit trading in the southern hemisphere recovered markedly compared with the previous year as most of the strict coronavirus measures imposed in 2021 were lifted. High logistics costs remain the biggest challenge for the international fruit trade. Almost all stone and pome fruit cultivation regions in Europe were affected by frost at the end of

the reporting period. Major crop failures are expected in France and Spain in particular, while losses in Germany should be limited and an average harvest is anticipated there. The Global Produce Segment achieved a year-on-year increase in EBIT of €6.3 million to €7.3 million in total in the first three months of the current financial year.

Building Materials business unit

In € million	Revenues			EBIT		
	Q1/2022	Q1/2021	Change in %	Q1/2022	Q1/2021	Change in %
Building Materials Segment	477.4	373.0	28.0	- 1.2	- 5.7	78.9

The Building Materials Segment mainly comprises Group trading activities involving building materials in Germany and Austria. The favourable weather conditions and stable construction activity led to a rise in sales across the whole range of products. Thanks to its inventories and highly diversified and stable supplier network, the Building Materials Segment was able to take advantage of the dynamic development in the price of certain building materials such as wood, insulation materials and steel and achieve higher trading margins. The energy crisis meant that there was greater demand for heat pumps and insulating materials for existing buildings. In addition, BayWa Bau Projekt GmbH was able to complete further projects and market residential units. As a result of the positive overall environment, the negative EBIT for the segment (which is typical for the season) improved by €4.5 million year on year to minus €1.2 million in total (Q1/2021: minus €5.7 million). This means that the segment's EBIT should enter positive territory in the first few weeks of the second quarter.

Innovation & Digitalisation Segment

In € million	Revenues			EBIT		
	Q1/2022	Q1/2021	Change in %	Q1/2022	Q1/2021	Change in %
Innovation & Digitalisation Segment	2.4	3.0	- 20.0	- 2.8	- 3.2	12.5

The Innovation & Digitalisation Segment pools all activities of the BayWa Group in its Digital Farming and eBusiness divisions. Farmers were less willing to invest in digital products during the reporting period due to the volatile and insecure market situation. At minus €2.8 million, the segment's EBIT improved slightly on the same period of the previous year, benefiting from the absence of write-downs.

Other Activities

EBIT resulting from Other Activities, including transition, primarily comprises Group administration costs, as well as consolidation effects, and stood at minus €17.8 million as at 31 March 2022 (Q1/2021: minus €14.2 million). The year-on-year decrease is mainly attributable to higher D&O insurance as well as exchange rate differences.

Outlook

Owing to several simultaneous one-off factors, the first quarter of 2022 cannot be used as a measure of revenues and earnings over the course of the year as a whole. In light of the ongoing coronavirus pandemic as well as the war in Ukraine and the resulting negative impact on the global economy, forecasts for the business development of BayWa AG in the financial year 2022 are associated with uncertainty. Nevertheless, the prospects for the BayWa Group are likely to remain positive on account of the broad business portfolio of essential goods and services. The Board of Management is optimistic that the Group will be able to achieve its targets for the year.

Selected Financial Information

Consolidated Balance Sheet as at 31 March 2022

Assets

In € million		31/03/2022	31/12/2021
Non-current assets			
Intangible assets		435.1	434.5
Property, plant and equipment		2,610.3	2,552.6
Participating interests recognised at equity		245.1	242.6
Investments		302.3	254.9
Investment property		36.7	37.7
Income tax assets		0.6	0.5
Assets from derivatives		113.4	73.6
Other receivables and other non-current financial assets		42.6	36.3
Other non-current non-financial assets		9.4	19.0
Deferred tax assets		206.5	119.6
		4,002.0	3,771.3
Current assets			
Securities		1.1	1.1
Inventories		4,251.3	4,213.0
Biological assets		11.6	15.2
Income tax assets		35.7	36.0
Assets from derivatives		1,498.7	1,049.1
Other receivables and other current financial assets		2,622.5	1,859.7
Other current non-financial assets		505.2	405.5
Cash and cash equivalents		208.1	399.1
		9,134.2	7,978.7
Non-current assets held for sale/disposal groups		6.1	21.4
Total assets		13,142.3	11,771.4

Shareholders' equity and liabilities

In € million		31/03/2022	31/12/2021
Equity			
Subscribed capital		91.2	91.2
Capital reserve		129.5	129.5
Hybrid capital		296.3	296.3
Revenue reserves		492.2	485.1
Other reserves		57.0	12.3
Equity net of minority interest		1,066.2	1,014.4
Minority interest		830.2	801.7
		1,896.4	1,816.1
Non-current liabilities			
Pension provisions		700.6	704.8
Other non-current provisions		74.9	73.5
Long-term debt		2,610.7	2,717.3
Lease liabilities		878.7	861.4
Trade payables and liabilities from inter-group business relationships		6.5	5.0
Income tax liabilities		0.5	0.5
Liabilities from derivatives		76.8	50.2
Other liabilities		80.1	85.6
Deferred tax liabilities		203.0	133.1
		4,631.8	4,631.4
Current liabilities			
Pension provisions		29.9	30.7
Other current provisions		577.1	418.2
Short-term debt		1,529.0	1,467.3
Lease liabilities		80.4	76.9
Trade payables and liabilities from inter-group business relationships		1,755.1	1,356.3
Income tax liabilities		45.2	35.7
Liabilities from derivatives		1,682.9	1,152.3
Other liabilities		914.5	776.4
		6,614.1	5,313.8
Liabilities from disposal groups		0.0	10.1
Total shareholders' equity and liabilities		13,142.3	11,771.4

Consolidated Income Statement from 1 January to 31 March 2022

Continued operations

In € million		Q1/2022	Q1/2021 adjusted ¹
Revenues		6,257.0	4,066.6
Inventory changes		- 121.6	126.3
Other own work capitalised		3.8	3.5
Other operating income		97.2	75.8
Cost of materials		- 5,491.0	- 3,713.9
Gross profit		745.4	558.3
Personnel expenses		- 338.0	- 295.5
Depreciation/amortisation		- 61.6	- 57.9
Other operating expenses		- 202.3	- 157.2
Result of operating activities		143.5	47.7
Income from participating interests recognised at equity		1.2	- 2.8
Other income from shareholdings		0.2	0.2
Interest income		3.1	5.3
Interest expenses		- 40.9	- 29.5
Financial result		- 36.4	- 26.8
Earnings before tax (EBT)		107.1	20.9
Income tax		- 30.5	- 6.2
Consolidated net result for the period		76.6	14.7
thereof: profit share of minority interest		34.8	4.7
thereof: due to shareholders of the parent company		41.7	10.0
Basic earnings per share (in €)		1.09	0.19
Diluted earnings per share (in €)		1.09	0.19

¹ The previous year's figures have been adjusted in accordance with IAS 8.42. Further details are available in Note A.7 of the Notes to the Consolidated Financial Statements for 2021.

Munich, 4 May 2022

BayWa Aktiengesellschaft

The Board of Management

Prof. Klaus Josef Lutz

Andreas Helber

Marcus Pöllinger

Reinhard Wolf

Financial Calendar

Dates in 2022

Virtual Annual General Meeting 2022

24 May 2022, 10:00 am

Publication of figures for the second quarter of 2022

4 August 2022, 8.30 am – Analysts' Conference Call

4 August 2022, 10.30 am – Press Conference Call

Publication of figures for the third quarter of 2022

10 November 2022, 8.30 am – Analysts' Conference Call

10 November 2022, 10.30 am – Press Conference Call

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