



**Think boldly –**  
act responsible



## Key data at a glance BayWa Group

in € million	2015	2016	2017	2018	2019
<b>Revenues</b>	<b>14,928.1</b>	<b>15,409.9</b>	<b>16,055.1</b>	<b>16,625.7</b>	<b>17,059.0</b>
Energy Segment	3,264.2	2,976.0	3,594.7	3,968.5	4,474.3
Agriculture Segment	10,149.5	10,884.5	10,836.5	11,015.9	10,857.5
Building Materials Segment	1,496.4	1,530.1	1,606.1	1,617.5	1,702.8
Innovation & Digitalisation Segment	5.2	6.0	6.9	10.7	10.6
Other Activities	12.8	13.3	10.9	13.1	13.7
<b>EBITDA</b>	<b>288.3</b>	<b>272.6</b>	<b>318.4</b>	<b>315.3</b>	<b>403.0</b>
<b>EBIT</b>	<b>158.1</b>	<b>144.7</b>	<b>171.3</b>	<b>172.4</b>	<b>188.4</b>
Energy Segment	77.2	83.1	85.0	96.0	127.4
Agriculture Segment	90.1	70.1	82.1	100.1	96.6
Building Materials Segment	27.4	28.5	30.1	31.1	32.1
Innovation & Digitalisation Segment	-2.9	-8.6	-10.8	-12.3	-14.6
Other Activities	-33.7	-28.6	-15.2	-42.5	-53.1
<b>EBT</b>	<b>88.1</b>	<b>69.6</b>	<b>102.4</b>	<b>92.6</b>	<b>79.2</b>
<b>Net income for the year</b>	<b>61.6</b>	<b>52.7</b>	<b>67.2</b>	<b>54.9</b>	<b>61.1</b>
Thereof: profit due to minority shareholders	13.4	21.6	27.9	22.6	24.4
Thereof: profit due to shareholders of the parent company	48.2	31.1	39.3	32.3	36.7
<b>Total assets (as at 31/12)</b>	<b>6,036.7</b>	<b>6,474.9</b>	<b>6,488.0</b>	<b>7,511.5</b>	<b>8,867.2</b>
Non-current assets	2,287.2	2,355.7	2,396.9	2,476.9	3,276.6
Current assets	3,739.7	4,094.2	4,077.4	5,030.4	5,585.9
Non-current liabilities	2,191.5	2,292.2	2,065.7	2,074.7	3,131.5
Current liabilities	2,769.3	3,084.3	2,986.8	4,047.7	4,377.1
Equity	1,075.9	1,098.3	1,435.5	1,389.1	1,358.6
Equity ratio in %	17.8	17.0	22.1	18.5	15.3
<b>Share capital (as at 31/12) in € million</b>	<b>89.0</b>	<b>89.3</b>	<b>89.6</b>	<b>89.9</b>	<b>90.3</b>
<b>Number of shares (as at 31/12) in million shares</b>	<b>34.8</b>	<b>34.9</b>	<b>35.0</b>	<b>35.1</b>	<b>35.3</b>
<b>Dividend per share in €</b>	<b>0.85</b>	<b>0.85</b>	<b>0.90</b>	<b>0.90</b>	<b>0.95<sup>1</sup></b>
<b>Number of employees (as at 31/12)</b>	<b>16,578</b>	<b>16,711</b>	<b>17,323</b>	<b>17,864</b>	<b>19,193</b>

1 Subject to approval by the Annual General Meeting

## Editorial

### Dear Readers,

Energy, Agriculture and Building Materials: those are BayWa's core segments. They allow us to serve the basic human needs for food, energy, mobility, warmth and building. Yet they also call on us to take responsible and far-sighted action on behalf of the company and its entire environment. For us, this means opening our eyes and minds and thinking outside the box to make responsible decisions and act responsibly based on knowledge of what is possible. Entitled "Think boldly – act responsibly", the company brochure and the particular close-ups inside pick up on this philosophy. At the same time, it illustrates how responsible and future-oriented actions are reflected in strategies and specific projects at BayWa.

In the difficult times of Corona and the COVID-19 crisis, responsibility has taken on an additional special meaning at BayWa. We at BayWa remain dedicated to the mission that has driven us from the very start and have taken steps to safeguard our ability to service essential sectors. We are there for agriculture and the building trade, providing businesses and private households alike with electricity and heat. Our employees are hard at work around the world making sure that the sectors of the economy that play a pivotal role in keeping people supplied with food and other essentials remain up and running.

Still, there are issues and challenges that need to be mastered regardless of the crisis. Sustainability and climate action require us to employ bold thinking and



Prof. Klaus Josef Lutz,  
Chief Executive Officer of BayWa AG

responsible action both to adapt our traditional business to the demands of the future and to lead the way with new business areas and models. Our job is to support customers through solutions so that they may combine financial success and the future viability of their operations with the demands of sustainable business – just like we do at BayWa. The pages that follow illustrate what BayWa is capable of achieving here.

With the very best regards,

Prof. Klaus Josef Lutz

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# The Company

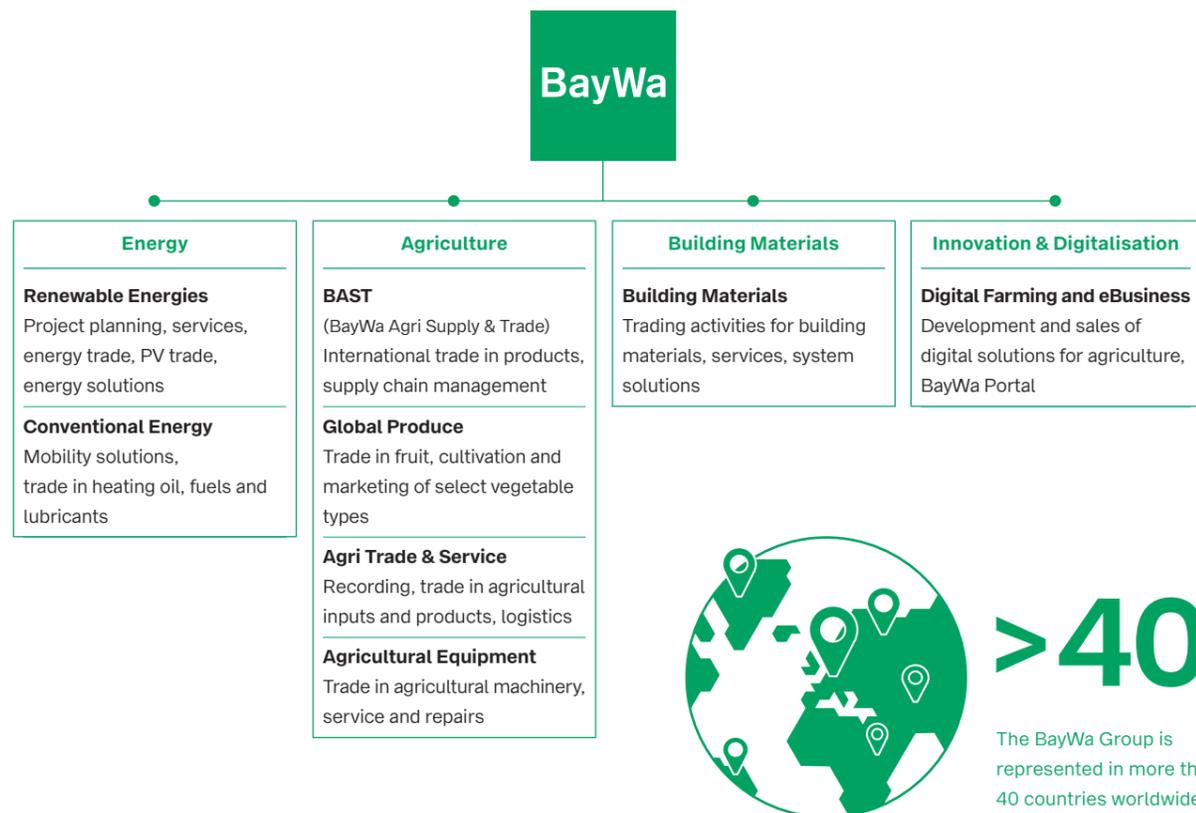
Companies have a future if they offer their customers benefits and provide solutions for the challenges to come. BayWa AG thinks and acts with this aim in mind, brings fresh momentum to its existing activities and taps into innovative business areas. That keeps BayWa fit for the future. The regionally rooted company in the Energy, Agriculture and Building Materials Segments has evolved into a provider of integrated customer solutions both regionally and internationally – as a leading project management company for renewable energy plants, as a pioneer in the field of digital applications and as a reliable partner for domestic agriculture.

BayWa pursues solid and profitable growth while keeping an eye on its responsibility for the

common good and in the interests of future generations. Increasingly, sustainability is the driving and motivating factor behind the strategic orientation – with an impact at all levels: in the long-standing business with customers from the agricultural, conventional energy and building materials divisions; in the intensification of the renewable energy business; in new, sustainable business ideas; and not least within the company itself.

Through its Group-wide climate strategy and the aim of being climate neutral by 2030, BayWa is making an active contribution to limiting climate change. Sustainability is also gaining importance as part of the financing strategy. In early 2019, BayWa became the first company in

Europe – without a rating – to issue a green bond that will be used to finance the fast-growing global portfolio of wind farms and solar parks at the renewable energy subsidiary BayWa r.e. BayWa also acknowledges its responsibility as a major employer. As a signatory to the “Charta der Vielfalt” (diversity charter) corporate initiative, it promotes diversity, equality and inclusion. About 20,000 people of various nationalities work on behalf of BayWa in more than 40 countries worldwide. Their origins, ideas and ways of thinking differ, as do their gender identities, ages, religion, personal experiences and individual skills. BayWa sees this very diversity as a tremendous opportunity for the company’s further development.



The Board of Management of BayWa AG: (from left) Marcus Pöllinger, Reinhard Wolf, Klaus Josef Lutz, Matthias Taft, Andreas Helber

## The Board of Management

**Prof. Klaus Josef Lutz**  
**Chief Executive Officer**  
 since 01/07/2008

Corporate Audit, Corporate Environment, Health & Safety, Corporate Governance, Corporate HR, Corporate Legal & Compliance, Corporate M&A, Corporate Marketing, Corporate Risk, Corporate Strategy & Innovation, Corporate Sustainability, Group-IT/CIO-Organisation, PR/Corporate Communications/Public Affairs, BayWa Foundation, BayWa Agri Supply & Trade (BAST), Global Produce, BayWa IT GmbH, Chairman of the executive and supervisory committees of the international agriculture and fruit holdings

**Andreas Helber**  
**Chief Financial Officer**  
 since 15/11/2010

Corporate Controlling, Corporate Finance & Accounting, Corporate Insurance, Corporate Real Estate Management, Investor Relations, Business Services (Finance Services, HR Services, Corporate Purchasing & Services), Member of the executive and supervisory committees of the international agriculture and fruit holdings

**Marcus Pöllinger**  
 since 01/11/2018

Agri Trade & Service, Agricultural Equipment, Building Materials, Digital Farming, Chairman of the executive and supervisory committees of international Group companies in agricultural trade, building materials and agricultural equipment

**Matthias Taft**  
 since 01/04/2015

Energy, BayWa r.e., Chairman of the executive and supervisory committees of the international energy holdings

**Reinhard Wolf**  
 since 01/09/2013

RWA Raiffeisen Ware Austria Aktiengesellschaft, Vienna, Austria

Allocation of departments as at 01/04/2020

# Sustainability comes from responsibility

Making sustainability work takes bold thinking. But a steady hand and far-sighted action are also of the essence. BayWa bases its actions on a sense of corporate responsibility. Sustainability is the driving and motivating force for current business and new concepts alike. In doing so, BayWa strikes a balance between economic factors and environmental concerns – for the company itself, and for its customers.



## Paving the way

With its mission to only use electricity generated from renewable energies, BayWa is taking climate action – not only on its own behalf but also for other companies. More on p. 7.

## Tapping unused potential

Water and electricity: thanks to floating PV technology, this odd couple is entering into a highly efficient partnership. More on p. 11.

## Thinking sustainably

Organic or conventional? Agriculture can be both. Find out how BayWa is supporting sustainability in agriculture. More on p. 17.

## Creating quality of life

Bad air? No thanks! The BauGesund concept BayWa's Building Materials business unit offers is bringing solutions for healthy indoor air to today's energy-efficient designs. More on p. 23.

## Sustainably financing good things

BayWa issued its first green bond in 2019. The response to the green bond was tremendous, demonstrating the trust people have in BayWa's sustainability expertise. More on p. 31.



With the Barth V project, which boasts a total output of 8.8 MW and is located around 30 kilometres east of Stralsund, BayWa r.e. realised one of the first German solar parks to operate entirely without subsidies.

## The next phase of the energy transition

For a long time, the expansion of renewable energies was significantly dependent on government funding measures such as guaranteed feed-in tariffs. But that is changing. The energy transition is entering the next phase, in which new renewable energy plants will refinance themselves purely through electricity income, without subsidies. This currently applies to large solar parks and is increasingly managed by way of power purchase agreements (PPAs), a financing model for renewable energies that usually involves long-term power supply agreements between two parties. In most cases, those parties are a power company and a customer that purchases the power. BayWa is setting a benchmark with its renewable energy subsidiary. In 2018, BayWa r.e. constructed the first solar park in Europe that was built without any government subsidies at all. Located near the Spanish city of Seville, the solar power plant Don Rodrigo has an output of 175 megawatts (MW). In May 2019, this milestone was honoured as an “Outstanding Project” and a model for Europe at The Smarter E, Europe’s largest solar exhibition. That same year, BayWa r.e. constructed Don Rodrigo 2, a follow-up project that provides some 30,000 Spanish households with a total output of 50 MW of green electricity.

The next challenge was transferring this model from sunny Spain to Germany. Yet before the year was out, BayWa r.e. had proved that solar energy can also be marketable in Germany under favourable conditions by constructing Barth V.

New participation and investment concepts are another trend in the field of renewable energies. Right now, BayWa r.e. is developing a wind farm in the German state of North Rhine-Westphalia that will give private individuals an investment opportunity. The model is particularly interesting for people who live near solar parks or wind farms, as it allows them to become stakeholders in the projects. Cooperative models also make it possible for citizens and communities to participate and invest in renewable energy projects. In 2019, BayWa r.e. constructed the Schönberg wind farm, with a total output of 18.8 MW. Located in the German state of Mecklenburg-West Pomerania, the wind farm is owned by Bürgerwindpark Schönberg GmbH & Co. KG. This form of communal participation promotes the acceptance of new wind turbines among citizens and has the potential to help breathe new life into the slow expansion of onshore wind energy in Germany.

## A multifaceted approach to promoting sustainability

Taking on responsibility for greater sustainability means leveraging all of the potential out there – starting with oneself. But it also means supporting others to the best of one’s own abilities. In 2019, BayWa joined RE100, a global initiative of more than 190 respected companies from a wide range of industries. BayWa is the first German company from the agricultural division to join RE100. Companies joining RE100 set a public goal to source 100% of their global electricity consumption from renewable sources by a specified year. They disclose their electricity data annually and report transparently on their progress. BayWa plans to already achieve this goal in 2020. To do so, it is increasing its investments in the production of renewable energies for self-consumption and is switching to green electricity.

Thanks to its expertise in the fields of renewable energies, there is still a lot more BayWa can do. It can support other companies as they aim to achieve their sustainability targets. That is good for everyone – for the environment and society, and for the continued dynamic development of business at BayWa r.e. Like BayWa, Switzerland’s Tetra Pak is also a member of the

RE100 initiative. The company is a global leader in food processing and packaging and has committed itself to source 100% of its energy needs from renewable sources by 2030. BayWa r.e. is assisting Tetra Pak reach that goal. In 2019, BayWa’s subsidiary in Thailand installed five photovoltaic units on factory roofs at Tetra Pak’s local site. With more than 3,000 solar modules, the company is now producing its own green energy at the location.

Another example of positive momentum is BayWa r.e.’s partnership with Anheuser-Busch InBev (AB InBev). Based in Belgium, the world’s largest group of breweries plans to source 100% of its electricity in Europe from renewable energies by 2025. To meet this target, BayWa r.e. will construct two new solar parks in Spain that will then supply 14 AB InBev breweries in Europe with green electricity in the future. With this goal in mind, the two companies have signed the largest pan-European solar power purchase agreement to date, with a total installed output of roughly 130 MW and a term of ten years. By 2022, AB InBev’s world-famous Budweiser beer will be brewed using electricity sourced entirely from renewable sources.



Through the joint solar project, BayWa r.e. and Tetra Pak are helping to support Thailand’s energy transition. Right now, the country imports some 70% of the energy it consumes.



## Drive and save



The SmartCable makes it possible to keep separate consumption records for power used for vehicle charging at home or at work.

The energy transition also calls for a mobility transition. The aim is to find a carbon-optimised approach to mobility. While the goal is clear, the paths to get there are many and various. BayWa is focusing on viable mobility concepts that are as efficient and flexible as possible. In early 2020, it pooled all of its customer-focused activities for carbon-optimised mobility in a subsidiary by founding BayWa Mobility Solutions GmbH.

Four things set BayWa Mobility Solutions GmbH apart: Through its Heavy Vehicle profit

centre, it is focusing on other energy carriers, especially liquefied natural gas (LNG), in addition to electromobility. As a result, it is able to provide an interesting alternative for heavy goods transport in particular. Rather than setting its sights on a single method, BayWa is interested in promoting sustainable and practically viable mobility concepts. The best example is the Light Vehicle profit centre's extensive range of offerings for fleet operators are thinking about switching to electric vehicles. BayWa performs fleet analysis to draw up an individually tailored concept and provides hands-on support that includes selecting and procuring vehicles, planning and installing charging infrastructure, and applying for public funding. The third and final profit centre is all about Digital Mobility, with a focus on digital payment systems such as filling station and charging cards. Through cross-acceptance and partnerships, BayWa is able to offer a wide network and provide an optimum level of service, especially for fleet customers.

BayWa thinks connected, both inside and outside the company. For example, BayWa r.e. and the Conventional Energy business unit work together closely to construct and operate solar carports for customers. BayWa is pooling its strengths to make innovative solutions such as solar-based energy systems for climate technology, power generation and charging infrastructure for electric vehicles market-ready.



### BayWa Mobility Solutions' profit centres



#### E-mobility

- Infrastructure project planning
- Maintenance and repair
- Operator of infrastructure for third parties



#### LNG filling stations

- Project planning and operation
- Additional services and offerings for alternative fuels (e.g. hydrogen for trucks)



#### Filling station cards and systems

- Systems provider for the BayWa Group (filling station cards and billing systems)
- Systems provider for third parties (filling station cards and billing systems)
- Marketing and sale of digital products from the mineral oil, logistics and transport industries



## A house that helps protect the climate



Lighting, climate control and heating are three things no one can do without. But how much energy is okay to use to this end? In Germany, buildings still account for 35% of the total energy consumption, making them the cause for around 30% of all greenhouse gas emissions within the country's borders. The outdated building stock in Germany plays a significant role here. Of the approximately 5.3 million residential buildings in the states of Bavaria and Baden-Württemberg, over 50% were built before 1976. Only 5% of the buildings constructed before 1995 have been fully renovated and retrofitted. Action is urgently needed to achieve the climate targets in the building sector, such as climate neutrality by from 2050 onwards. Better state subsidies, such as those planned under the German government's climate package, provide an important incentive. With the link between requirements and technologies growing ever stronger, package solutions can also be effective. The easier it is for homeowners to take steps towards saving energy, the more willing they are to help support climate action. After all, lower energy consumption also means lower costs.

When it comes to reducing the greenhouse gas emissions attributable to buildings,

few companies are as well-positioned as BayWa – with energy-efficiency concepts for construction, professional tradesman services for heating and climate control, and wood pellets and green electricity for heat and energy provision, as well as support for electricity generation using photovoltaic energy for in-house consumption and the use of e-mobility.

A construction project involving BayWa in Schrobenhausen, Germany, illustrates the benefits of pooling competences. The aim of the project is to construct healthy-living buildings with residential and commercial units that will be supplied with ready-to-use heat, cooling and electricity from renewable energies for household use and mobility. The solution is energy contracting from renewable sources. Here, it involves wood pellet heating systems, rooftop photovoltaic systems and battery storage systems for providing households, cooling systems and e-mobility charging stations with electricity. As a mobility provider, BayWa is also helping to market excess electricity and purchase green electricity depending on the degree of self-sufficiency.

With its ability to generate more electricity than its residents consume on average over the course of a year, the project spearheaded by asset bauen wohnen gmbh and BayWa in the Augsburg-area village of Hügels-hart is considered to be Germany's first Efficiency House Plus colony built according to the criteria of the former German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety.

# Energy Segment

The Energy Segment pools renewable energies and the trade in conventional energy sources. Under the umbrella of BayWa r.e. renewable energy GmbH, the Renewable Energies business unit covers the entire project business in the field of wind and solar energy. BayWa r.e. also trades in photovoltaic components and storage technology for installers and develops innovative solutions for the provision of energy. Along with Europe and North America, BayWa r.e. is active in the Asia-Pacific region and in Australia. In the Conventional Energy business unit, BayWa sells heating oil, fuels, lubricants, AdBlue and wood pellets, mainly in southern Germany and Austria. The focus of the newly founded BayWa Mobility Solutions GmbH is to shape the field of carbon-optimised mobility through electromobility, LNG (liquefied natural gas) and digital mobility products and services.

Key figures for 2019

€4.5 bn

in revenues

26%

share in consolidated revenues

2,812

employees (annual average)



## Tapping unused potential

Not every inch of land in Germany is suitable for renewable energy plants. But the country needs as many such plants as possible for the energy transition to succeed. The Fraunhofer Institute for Solar Energy Systems ISE is therefore performing research on technologies such as land-neutral photovoltaic power. The potential of unused bodies of water and floating photovoltaic power is huge. Germany's nearly 500 lakes created from decommissioned open-pit mines offer a technically usable installation potential of around 56 gigawatts (GW) for floating photovoltaic plants. The total potential of all 4,474 unused artificial lakes is significantly higher. The same is true throughout Europe. Studies by the World Bank Group indicate that 1% of the artificial freshwater bodies would be enough to generate 20 GW of green energy.



### Key data of the Energy Segment

in € million	2015	2016	2017	2018	2019
Revenues	3,264.2	2,976.0	3,594.7	3,968.5	<b>4,474.3</b>
EBIT	77.2	83.1	85.0	96.0	<b>127.4</b>
Employees (Number)	1,825	1,911	2,079	2,407	<b>2,812</b>

### Key operating data of the Energy Segment

	2015	2016	2017	2018	2019
<b>Renewable Energies</b>					
Wind, realised output capacity <sup>1</sup> in MW	205.2	121.1	182.6	61.9	<b>125.4</b>
Wind, sold output capacity <sup>2</sup> in MW	164.2	89.2	260.2	116.2	<b>282.8</b>
Solar, realised output capacity <sup>1</sup> in MW	86.6	141.3	222.3	153.3	<b>307.3</b>
Solar, sold output capacity <sup>2</sup> in MW	123.1	123.7	147.7	324.0	<b>628.3</b>
Biogas, realised output capacity <sup>1</sup> in MW	3.1	2.6	–	–	–
Biogas, sold output capacity <sup>2</sup> in MW	–	–	6.6	12.3	<b>0.5</b>
PV trading, sold capacity in MWp	245.6	272.3	425.4	544.1	<b>927.0</b>
Biomethane, sold output capacity in GWh	1,153.0	1,338.0	1,550.0	1,280.0	–
Geothermal, sold output capacity <sup>2</sup> in MW	–	11.0	–	–	–
<b>Conventional Energy</b>					
Sales volume in ktonnes					
Heating oil	1,047.0	1,013.9	1,024.9	936.0	<b>1,002.6</b>
Fuels	1,466.0	1,477.5	1,499.0	1,690.9	<b>1,522.9</b>
Lubricants	27.1	25.6	27.1	26.4	<b>25.5</b>
Wood pellets	359.5	401.3	457.6	464.1	<b>576.9</b>
Number of fuel stations	278	272	279	281	<b>125</b>

1 Realised output capacity; commissioning of plants in the respective financial year  
 2 Sold output capacity; sale of plants in the respective financial year

### Energy Segment

Renewable Energies*	Conventional Energy
<ul style="list-style-type: none"> <li>• Solar energy</li> <li>• Wind energy</li> <li>• Operational management</li> <li>• Energy trading</li> <li>• Solar trading</li> <li>• Energy solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Liquid fuels</li> <li>• Lubricants</li> <li>• Wood pellets</li> <li>• Contracting</li> <li>• Filling stations</li> <li>• Carbon-optimised mobility</li> </ul>

\* Activities pooled in BayWa r.e. renewable energy GmbH

Left PV modules for generating solar energy can be found on solar parks and in rooftop systems.

# Floating energy

The expansion of renewable energies is essential to achieving climate targets. But only a limited number of suitable locations for renewable energy plants is available. Bodies of water provide an alternative with tremendous potential. Floating photovoltaic plants on artificial bodies of water that are not used by the public, such as decommissioned open-pit mines, excavation sites or reservoirs, have the potential to make an important contribution to the energy transition in Europe.

Working with partners, BayWa r.e. renewable energy GmbH constructed three floating photovoltaic plants in 2019 and completed Europe's largest floating solar park in early 2020, making BayWa r.e. one of the world's leading project developers in this field. The plant in Sekdoorn, near the Dutch city of Zwolle, offers a total output of 14.5 megawatts (MW) and provides solar power to almost 4,000 households. Thanks to the system's efficient design, which was developed in-house, it took just six weeks to install the nearly 40,000 photovoltaic (PV) modules. In early 2020, BayWa r.e. demonstrated that the expansion of renewable energies has the potential to progress even faster by building the world's largest floating photovoltaic plant outside of China.

Also located near Zwolle, the solar park – with a total output of 27.4 MW and 73,000 individual PV modules – took just seven weeks to complete and connect to the grid.

Floating photovoltaic power comes with a host of advantages, such as easy installation, the added yields provided by the water's cooling effect and lower maintenance costs. Despite still being slightly more expensive than free-standing solar parks, the cost of floating photovoltaic plants is expected to fall as the new form of electricity generation is optimised. In the Netherlands, higher feed-in tariffs are making this form of solar park possible today. And in southern Europe, floating photovoltaic plants of 50 hectares or more will soon be possible without state subsidies. As a full-service provider, BayWa r.e. takes care of the entire process, from project development, planning, procurement and financing to turnkey construction, commissioning and management. Besides its current project pipeline, the BayWa AG subsidiary is working on additional pending projects in Europe. The plans call for floating photovoltaic plants with a total output of around 100 MW.



### Tapping unused potential

Not every inch of land in Germany is suitable for renewable energy plants. But the country needs as many such plants as possible for the energy transition to succeed. The Fraunhofer Institute for Solar Energy Systems ISE is therefore performing research on technologies such as land-neutral photovoltaic power. The potential of unused bodies of water and floating photovoltaic power is huge. Germany's nearly 500 lakes created from decommissioned open-pit mines offer a technically usable installation potential of around 56 gigawatts (GW) for floating photovoltaic plants. The total potential of all 4,474 unused artificial lakes is significantly higher. The same is true throughout Europe. Studies by the World Bank Group indicate that 1% of the artificial freshwater bodies would be enough to generate 20 GW of green energy.



# Renewable Energies

Every challenge is also an opportunity. For the Renewable Energies business unit, climate change and renewable energies as the appropriate response have so far formed the foundation of ten successful years for BayWa r.e. renewable energy GmbH, which pools BayWa's renewable energy business. Since 2013, BayWa r.e. has helped to place an installed output of some 3 gigawatts (GW) on the grid around the world by planning and realising renewable energy plants. With the global energy transition only just beginning, the growth prospects remain good. A faster conversion to emission-free technologies is just as important as bolder approaches and innovative concepts. As a leading player in the field of renewable energies, BayWa r.e. has helped set the course for this development.

The global expansion of its activities was one of BayWa r.e.'s focal points in the financial year 2019. In the Asia-Pacific region, it opened a new office

in Seoul, the capital of South Korea. The office's main areas of business are solar and wind projects, as well as wholesale trade involving photovoltaic (PV) components. A new distribution centre was also set up in the Philippines. BayWa r.e. continued its expansion in North America by acquiring National Solar Distributors, a leading Canadian solar trader. The company supplies solar installers from the Atlantic to the Pacific. Moreover, the acquisition of the Canadian software provider PowerHub supports the use of digital technology in the management of renewable energy plants. In Europe, BayWa r.e. expanded its activities on the Iberian Peninsula by strengthening the existing location in Barcelona and opening a new office in Madrid. Founded in late 2018, BayWa r.e. Clean Energy S.r.l., the Group's Milan-based Italian subsidiary for energy trading, signed its first direct marketing contracts for more than 70 plants with an installed output of 200 megawatts (MW).

Floating PV load testing performed by 200 employees of BayWa r.e. and the joint venture GroenLeven B.V. at the Weperpolder pilot plant in the Netherlands.



With BayWa r.e. looking after systems with a total of 8.3 GW worldwide, service staff sometimes have to go to dizzying heights to get the job done.

As a full-service partner, BayWa r.e. covers all material links in the renewable energy value chain. Its business portfolio is diversified by country, energy carrier and business activity. This strategy opens up wide-ranging growth potential, reduces risks and stabilises business development. Business activities are divided into three areas: Projects, Services and Solutions.

The Projects area is globally active in the project business, from planning, project management and the construction of wind farms and solar parks through to the sale of finished plants. In 2019, the division's activities included the start of construction on the Lyngsåsa wind farm in southern Sweden. The farm's 22 wind turbines provide a total output of 94.6 MW, making Lyngsåsa one of the largest wind farms that BayWa r.e. has built to date.

The Services area comprises planning and technical services, the technical and commercial management of existing plants, the maintenance of plants and energy trading. Branches in Europe and South East Asia guarantee international BayWa r.e. customers 24-hour service and currently provide support for plants around the world with an installed total output of around 8.3 GW. In energy trading, BayWa r.e. markets electricity generated from renewable sources. Direct marketing volume stood at 3.5 GW in 2019. The service business was expanded in 2019 by acquiring

Approx. **13** GW

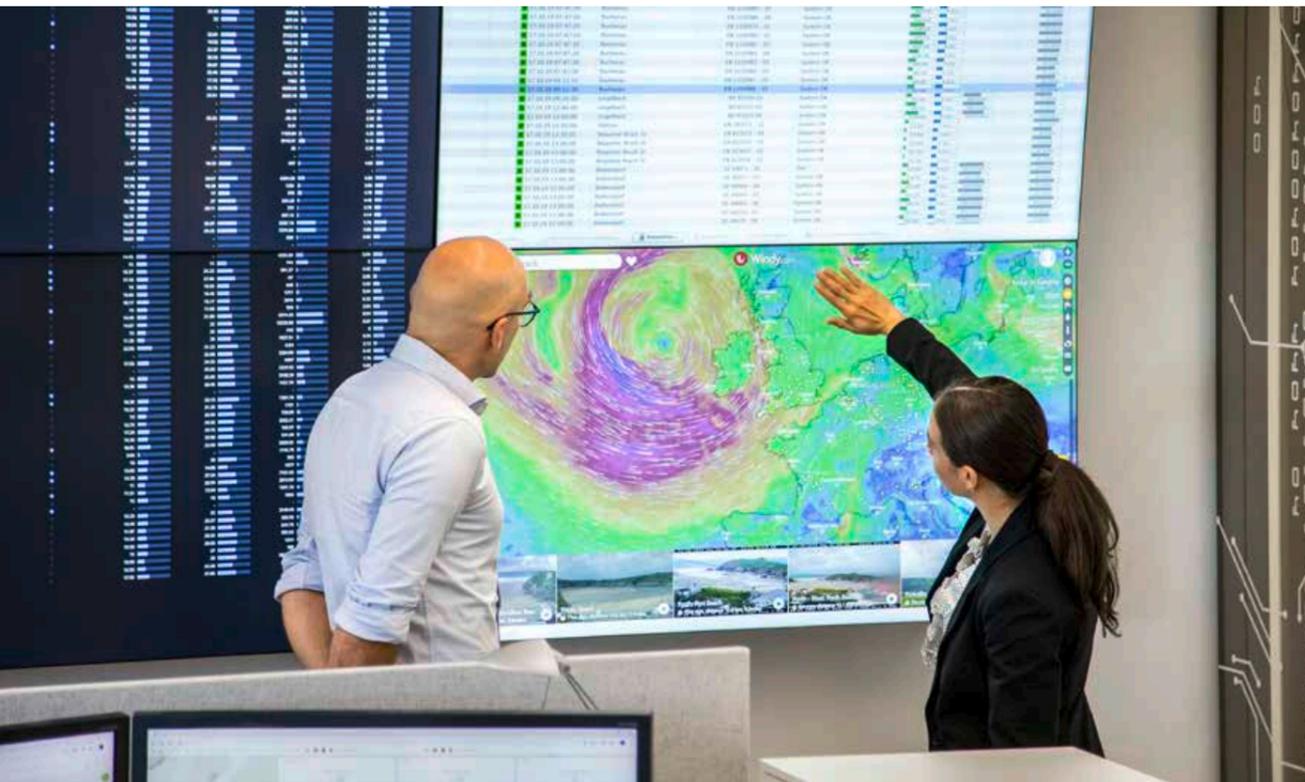
is the size of BayWa r.e.'s pipeline in the field of wind and solar energy. Some 1.2 GW are in the renewable energy plant sale pipeline for 2020.

> **700**

renewable energy projects (wind and solar energy) have been completed by BayWa r.e. worldwide since its founding 2009. For many of these projects, the company continues to provide commercial and/or technical maintenance services even after their sale.

Approx. **250** GWh

of green electricity, to be produced in future by two solar parks slated for construction in Spain, will be provided annually by BayWa to the brewing company AB InBev. The partnership between BayWa r.e. and AB InBev is outlined in a 10-year virtual power purchase agreement with an option for extension.



BayWa r.e.'s O&M control centres (for Operation & Maintenance) provide 24/7 monitoring, data analysis and constant reports for plants worldwide.

Forsa Energy's British renewable energy business. In Germany, the company signed new deals with the Talanx Group and with Siemens Gamesa Renewable Energy Germany.

Solar trading and energy solutions are pooled in the Solutions area. As one of the world's leading wholesalers, BayWa r.e. markets and sells PV systems and components and maintains a vast network of over 7,000 installers and sales partners. Energy solutions focuses on the development and implementation of tailored energy solutions for commercial and industrial customers, from own generation to the provision of green energy.

The success of the global energy transition also depends on the use of innovative technologies. To make consistent use of the latest developments, BayWa r.e. founded the subsidiary BayWa r.e. Energy

**Approx. 3,400 MW**

of solar energy is managed by BayWa r.e. worldwide every day. Some 1,600 MW of that was installed and connected to the grid by the company itself.

Ventures GmbH in 2018. The company checks the energy sector for innovative start-ups with promising approaches in the fields of digitalisation, storage and electromobility in order to acquire a stake as a lead- or co-investor at an early stage. The affiliated company Raycatch is proof of the value of these efforts. In 2019, the start-up unveiled its AI-based DeepSolar™ analysis software, which allows the owners and operators of large solar power plants to optimise their facilities and increase their yields. At the Inter-solar Europe 2019 trade fair, both Raycatch and BayWa r.e. earned an award for this in the "photovoltaic" category. Another example is the Berlin-based start-up Zolar. BayWa r.e. Energy Ventures invested in the company in 2019. Zolar's online configurator takes care of the design of photovoltaic plants. The platform's user-friendly interface even allows private individuals with little expertise to make a sound decision. Last but not least, the affiliated company Blixt is the first to provide digital fuses and circuit breakers for private households. The innovation is revolutionising fuse boxes and transforming them into digital control centres. The lack of mechanical parts makes it possible for the digital fuse to break the circuit in a fraction of a second, which offers tremendous potential for energy savings. In March 2019, the concept earned Blixt the CleanEquity Monaco Award in the category "Excellence in the Field of Environmental Technology Development".

## Conventional Energy

Being open for alternatives is the essence of BayWa AG's Conventional Energy business unit. The business unit is tapping into new opportunities in the energy world in addition to its current activities. Today, BayWa is building on its past commitment to renewable resources such as biodiesel and the distribution of wood pellets to focus on suitable forms of future mobility. For BayWa, allowing for potential rather than limiting itself means paving the way for carbon-optimised concepts. Through it all, BayWa still continues to provide rural regions in particular with heating oil, fuels and lubricants and offers individual contracting solutions for energy and heating in buildings.

The activities that have since been pooled in BayWa Mobility Solutions GmbH – liquefied natural gas (LNG), electromobility and digital mobility – started in the Conventional Energy business unit. Because it produces fewer greenhouse gas and nitrogen oxide emissions compared to diesel, LNG is an environmentally friendly alternative fuel, especially for heavy goods transport. In January 2020, the first LNG filling station was opened in Wolfsburg, Germany. BayWa has partnered with Volkswagen AG, which plans to convert its internal logistics fleet to LNG trucks. Additional stations are scheduled to open in Nördlingen, Nuremberg and Munich.

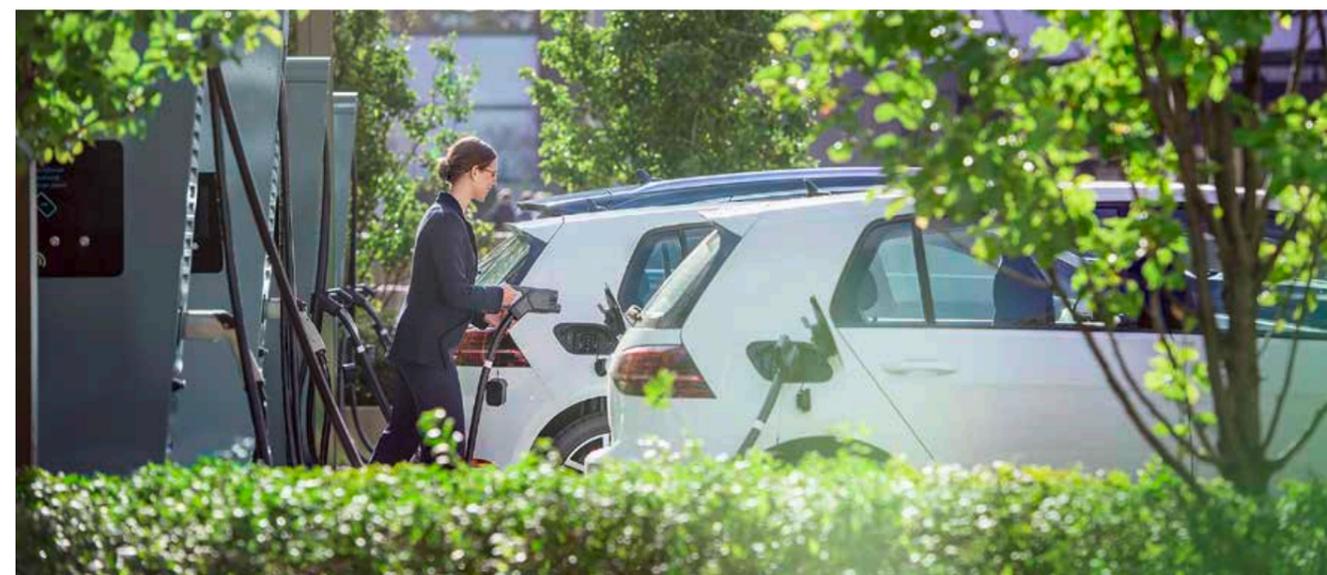
In the field of electromobility, the focus is on planning, project management, installation and the maintenance of charging infrastructure. Thanks to the partnership

### Wood pellets from sustainable forestry

Fossil fuels are increasingly coming under criticism, giving environmentally friendly and climate-neutral energy carriers a boost. That effect is also benefiting wood pellets, which BayWa supplies to its customers in top product quality, from sustainable forestry and by way of a closely linked logistics network. Due to the rising demand, WUN Pellets GmbH in Wunsiedel, Germany, in which BayWa holds a 30% stake, increased its production capacity from 110,000 tonnes to 150,000 tonnes a year in the first quarter of 2020. BayWa provides raw materials to the plant and markets the pellets.

with BayWa r.e., green electricity plays an increasingly important role. For example, BayWa r.e. provides power for the four high-performance charging stations that have been in operation outside BayWa's corporate headquarters in Munich since the summer of 2019. These hyperchargers are the first publicly accessible charging stations both installed and operated by BayWa. Payments can be made using all common charging cards and the BayWa filling station card, which can now be used at 95% of the public charging infrastructure throughout Germany. Thanks to its partnership with the service provider has-to-be GmbH, BayWa is also able to provide billing services for electricity charging stations.

Hyperchargers speed up the charging process.



# Agriculture Segment

In the Agriculture Segment, BayWa covers the entire value chain from the field to the marketing of products, making it one of Europe's leading trading companies with a global reach. Its range of services includes international trade and logistics for select agricultural commodities and specialities, as well as the sale of agricultural inputs and feedstuffs, predominantly in Germany and Austria. The Global Produce business unit also makes the Group a global player in fruit and vegetable trading, allowing it to market a wide range of pome fruit, tropical fruits and other high-quality fruit and vegetable products around the world. Machinery for agriculture as well as the municipal sector, along with the construction and maintenance of agricultural buildings and systems, are another core competence of BayWa. The offerings range from the sale of new machinery, maintenance and repairs, to the marketing of used machinery.

Key figures for 2019

€10.9 bn

in revenues

64%

share in consolidated revenues

10,580

employees (annual average)



### Crop protection by drone

Every year, the corn borer destroys some 4% of the world's corn harvest, approximately 41 million tonnes. Thanks to the combination of biology, digital applications and the latest technology, help is on the way – from the air. Using a drone, farmers can release ichneumon wasps larvae over their fields at an optimal point in time along a digitally planned route. A natural enemy of the corn borer, the ichneumon wasp destroys the plant pest, reducing the use of chemical crop protection products, avoiding the damage to crops that can be caused by vehicles and safeguarding yields. In 2019, the total area of land treated by BayWa experts using this method doubled year on year.



**Left** Still green wheat – supplying the earth's growing population with food is an important challenge for agriculture.

### Key data of the Agriculture Segment

in € million	2015	2016	2017	2018	2019
Revenues	10,149.5	10,884.5	10,836.5	11,015.9	<b>10,857.5</b>
EBIT	90.1	70.1	82.1	100.1	<b>96.6</b>
Employees (number)	9,997	10,212	10,613	10,428	<b>10,580</b>

### Key operating data of the Agriculture Segment

Sales volume in ktonnes	2015	2016	2017	2018	2019
<b>BAST / Agri Trade &amp; Service</b>					
Grain	19,473.0	21,512.4	21,859.9	19,116.4	<b>20,188.6</b>
Oilseed and additional products	10,706.9	12,275.4	11,514.2	13,946.8	<b>12,054.0</b>
Fertilizers	2,479.7	2,429.4	2,414.9	2,268.5	<b>2,317.2</b>
Seed	270.0	256.8	265.5	251.6	<b>236.9</b>
Feedstuff	2,148.5	1,632.7	2,051.3	2,639.0	<b>2,549.9</b>
<b>Global Produce</b>					
Dessert pome fruit	236.4	205.7	256.3	260.7	<b>247.6</b>
Soft and stone fruit	21.3	25.1	14.1	17.0	<b>27.8</b>
Tropical fruits	58.5	81.8	58.0	59.1	<b>86.8</b>
Vegetable fruits	18.9	19.4	20.3	15.1	<b>18.3</b>
<b>Agricultural Equipment</b>					
Number of tractors sold – new	3,986	3,529	3,659	4,815	<b>4,617</b>
Number of tractors sold – used	1,789	1,663	1,873	1,760	<b>1,936</b>

### Agriculture Segment



**BAST (BayWa Agri Supply & Trade)**  
International trade in products, supply chain management

**Global Produce**  
Trade in fruit, cultivation and marketing of select vegetable types

**Agri Trade & Service**  
Recording, trade in agricultural inputs and products, logistics

**Agricultural Equipment**  
Trade in agricultural machinery, service and repairs, agricultural buildings

# How sustainability is gaining ground



BayWa is committed to making all forms of agriculture responsible. Alongside conventional agriculture, the spotlight is increasingly shifting towards organic farming. What organic agriculture needs above all are local value chains with the corresponding processing and marketing structures. To this end, BayWa is gradually expanding its organic offerings and its marketing structures in the regions and is converting agricultural operations to meet the requirements of organic agriculture. The most recent example is the site of BayWa's Agri Trade & Service business unit in Heilbronn, Germany, which has been certified for the recording of organically produced agricultural products since the summer of 2019. Some 130 sites of BayWa's Agri Trade & Service business unit have already been certified for agricultural input trading for organic agriculture. BayWa is also a member of Biokreis e.V., the fourth-largest organic agriculture association in Germany, and is a licensed user of the "Bayerisches Bio-Siegel" (Bavarian organic seal). At the same time, BayWa is constantly expanding its product range through its own organic seed propagation efforts,

to name just one example. In terms of seed alone, farmers can choose from over 60 organic sowing grain, grassland, forage crops and individual seed varieties. And on the BayWa Portal, customers can now find some 500 products for livestock farming, soil fertility and seed by checking out the organic agriculture offerings. Digital solutions promise greater sustainability for agriculture. Through its subsidiary FarmFacts, BayWa has become a pioneer in this field throughout Europe. Under the brand name NEXT Farming, it provides a wide range of applications such as site-specific farm management. The method involves surveying small parcels of the soil to ascertain its characteristics, creating the basis for targeted farm management using TalkingFields maps. The result: Precise use of seed, fertilizer, crop protection products and water – leading to a substantial reduction in the consumption of agricultural inputs, a lower nitrate load in groundwater, healthy crops in the long term and an improved sustainability balance coupled with higher yields.

**Crop protection by drone**  
Every year, the corn borer destroys some 4% of the world's corn harvest, approximately 41 million tonnes. Thanks to the combination of biology, digital applications and the latest technology, help is on the way – from the air. Using a drone, farmers can release ichneumon wasps larvae over their fields at an optimal point in time along a digitally planned route. A natural enemy of the corn borer, the ichneumon wasp destroys the plant pest, reducing the use of chemical crop protection products, avoiding the damage to crops that can be caused by vehicles and safeguarding yields. In 2019, the total area of land treated by BayWa experts using this method doubled year on year.



# BayWa Agri Supply & Trade

The global population keeps growing. Agricultural production and trade therefore face the most important task of all: safeguarding the global supply of food. The only way for that to succeed is to increase global production and improve efficiency when it comes to logistics and the consumption of resources. In its role as a key international player, BayWa Agri Supply & Trade (BAST) supports the European market.

Within the BayWa Group, the BAST business unit pools the international trade of grain, oilseed meal and specialties covering the entire value chain from sourcing through to logistics and sales. Its customers include both local and international grain and oil mills, breweries and malt houses, as well as feed manufacturers and producers of biofuel. BayWa is one of the largest importers of soya bean meal for the European feedstuff industry. The annual trading volume of the BAST business unit stands at around 25 million tonnes: grains in various qualities, soya and soya products, related products and specialties such as legumes and various organic food ingredients like chia, quinoa, starch and wheat gluten.

In recent years, BayWa has expanded its scope and its product range through a series of international acquisitions and investments. Furthermore, it is constantly working to strengthen the performance and efficiency of its supply chain and its logistics network.

By expanding the international specialties business, BayWa is serving the food and feedstuff industry's growing demands. At the same time, its specialties strategy is helping diversify its product portfolio and make it even more independent of the volatilities of standard exchange-traded products.

## Certified Responsible Soya (CRS)

Global soya production has increased by nearly 25% since 1999. Despite greater productivity, a large proportion of the rising demand has been met by increasing the amount of land under cultivation, often leading to the destruction of precious forests, water scarcity and soil erosion. The BayWa subsidiary Cefetra joined forces with partners in 2008 to establish the Certified Responsible Soya (CRS) standard with the aim of counteracting such negative developments through the responsible cultivation of soya. In Brazil, Argentina and Paraguay, already 57 farms with a total of around 180,000 hectares of land under cultivation meet this standard. As part of the sustainability programme, Cefetra is focused on a long-term relationship with existing partners and the expansion of the certification programme to new operations. Along with its internal CRS criteria, Cefetra also offers soya that has been certified in accordance with the external Roundtable of Responsible Soy (RTRS) and ProTerra (non-GMO) standards.

Product quality and aspects of sustainability are key criteria in the agricultural trade business.



BayWa is one of the world's leading suppliers of fruit and vegetables.

## Global Produce

Fruit and vegetables are healthy and an important part of a balanced diet. As a result, consumers expect a wide range of options all year round. Through its global network, BayWa's Global Produce business unit is making customers' wishes come true and acts as a strong partner for food retailers and wholesalers alike. As one of the leading single sellers of dessert pome fruit in Germany, BayWa acquired the New Zealand-based company T&G Global Limited (T&G Global) in 2012. T&G Global is the largest provider of apples in New Zealand, with international trade links to the Americas, Asia, Australia and Europe. In doing so, BayWa laid the foundation for the year-round marketing of dessert pome fruit from the northern and southern hemispheres. By acquiring additional players such as TFC Holland B.V., an established distributor of fresh tropical products from around the world, the business unit further expanded its product portfolio and tapped into new procurement and sales markets.

The commitment to forward-thinking initiatives and innovations is essential to strengthening and expanding a leading market position. In 2019, T&G Global succeeded in doing just that with its work on behalf of the Hot Climate Programme. Building on natural cross-breeding, the cultivation initiative introduced new varieties with a high level of tolerance against heat and water scarcity that are also resilient to pest infestation and disease. T&G Global has been named the exclusive commercial partner for the marketing of these new varieties.



### Blueberries: a superfood

BayWa is expanding and transforming its business with blueberries into a premium category, thereby bolstering its position in the international fruit trading business. To this end, the company entered into a joint venture with the Chilean berry producer CarSol at the start of 2020 to conquer key Asian markets together. T&G Global has also initiated an exclusive cultivation and marketing programme in cooperation with the New Zealand Institute for Plant and Food Research. The aim of the partnership is to cultivate new blueberry plants that are higher-yielding and more resilient to disease while also forming tasty berries of a consistent size over a longer period of time.



BayWa records agricultural products such as grain, oilseed and hops after they are harvested and markets them.

## Agri Trade & Service

From sowing to harvest, BayWa provides farmers in its core geographical region of Germany and Austria with all the necessary agricultural inputs, such as seed, fertilizers, crop protection and feedstuffs. As a partner that is completely independent of specific manufacturers, BayWa provides farmers with consulting on both conventional and ecological farming. At the same time, BayWa records agricultural products such as grain, oilseed and hops after they are harvested and markets them to local and regional processors, as well as in export markets. BayWa's outstanding warehousing and logistics capacities, including connections to important waterways and to the Baltic Sea at the ports in Mukran and Vierow, help it achieve this goal.

The focal point when it comes to developing agribusiness in Germany is on the modernisation and alignment of the site network towards long-term customer needs, the expansion of e-commerce activities and process optimisation in the logistics chain. The BayWa Portal for agriculture is increasingly complementing bricks-and-mortar retail. The now fully networked multi-channel approach offers opportunities to optimise support for existing customers and intensify the acquisition of new customers outside BayWa's core region, providing an important foundation for the introduction of digital services and business models.

Trade in agricultural commodities and processed agricultural products is also becoming increasingly digitalised. Together with the Unamera start-up and other partners, BayWa launched a cross-trader digital trading and processing platform in 2019. The project aims to create a digital infrastructure that is open to all market participants. It is also intended to increase market transparency for customers and make agricultural trade processes more efficient. Initial tests were carried out during the 2019 harvest. In February 2020 the Bundeskartellamt (German federal antitrust authority) approved the digital trading platform with the assessment that it had the potential to make agricultural trade in Germany significantly more efficient. Following completion of the pilot phase, the platform will see a gradual, product-by-product launch on the market.

# > 50,000

products BayWa is currently providing for agriculture through its BayWa Portal. It offers Germany's most extensive selection of agricultural products online, making BayWa the largest online merchant in the German agricultural trade.

## Agricultural Equipment

It is impossible to imagine farming today without high-performing, specialised equipment. Digital applications provide farmers with integrated and sustainable solutions, for example for tillage, fertilization or harvesting. BayWa is not just a competent adviser and sales partner in this area but also uses digitalisation for modern customer communication, sales and the optimisation of customer service.

Along with its bricks-and-mortar stores, BayWa operates various online platforms that bring buyers and sellers together regardless of opening times and location. On [www.baywa-landwirtschaft.de](http://www.baywa-landwirtschaft.de) spare parts and accessories are traded, while [www.baywaboerse.com](http://www.baywaboerse.com) offers owners of used agricultural machinery a way to sell their equipment to other private persons. BayWa Technic-Trader offers the opportunity to have used vehicles and machinery valued and sold to BayWa. Online auctions, such as the kind held by the platform [www.ab-auction.com](http://www.ab-auction.com), are also very popular internationally. After all, one in five used machines from BayWa is sold abroad and exported to some 40 countries worldwide.

While BayWa has established a strong presence in the digital world, bricks-and-mortar retail remains a fundamental component of the Agricultural Equipment business unit. Locally and on location, BayWa sells machinery, devices and systems for agriculture, forestry

Also a woman's job: training as agricultural and construction machinery mechatronic specialist.



### Humus instead of slurry

A high volume of slurry is increasingly becoming a problem, for example for large agricultural livestock operations or biogas plant operators. The aim is to reduce the nitrogen content in the soil and comply with the strict fertilizer regulations. Since 2019, BayWa's Agricultural Equipment business unit has been cooperating with Witte, a company that produces humus systems. The basic principle of the humus system is to produce humus containing nitrogen from the produced slurry by combining it with solids such as straw, cuttings from extensive grassland or horse manure. This raw humus can be marketed. Buyers include tree nurseries, fruit and vegetable farms, as well as grafting operations that process the humus into high-quality peat. BayWa supplies the entire facility – from planning and support in the approval process through to technical construction.

and the public sector. It also offers maintenance and repair services, including spare parts. Its services are provided at 281 workshops or directly on-site by mobile service vehicles. In addition, BayWa is the largest sales partner worldwide for the AGCO Group, with its brands Fendt, Massey Ferguson, Challenger and Valtra. BayWa is also the leader in the global sale of CLAAS agricultural machinery. Its customers include farms and forestry operations, as well as vineyards, fruit farmers, municipalities, commercial enterprises and private consumers.

# Building Materials Segment

The Building Materials Segment covers the entire range of products and solutions for building materials – from civil engineering, structural engineering, construction, renovations, modernisation, gardening and landscaping, to solution packages for energy efficiency and healthy building. This range of products is aimed at construction companies, municipalities, trades and commercial enterprises, as well as renovators and private individuals building their own homes. In addition to this, BayWa also provides customers with a wide range of specialisations and a variety of services, as well as expertise and support when it comes to innovative topics such as healthy construction and the Efficiency House Plus energy standard. Digital offerings are increasingly bolstering traditional business by providing fresh momentum and additional sales channels. The key regions for the Building Materials Segment are southern Germany and Austria, where BayWa is one of the leading providers in the building materials trade.

Key figures for 2019

€1.7 bn

in revenues

10%

share in consolidated revenues

4,371

employees (annual average)



## More than just energy efficient

Energy efficient equals sustainable – that isn't always the case in home construction. The development process and life cycle are simply far too complex. Even an Efficiency House Plus which, among other things, uses solar technology to produce more energy than its occupants consume on an annual average is still far from being structurally sustainable. In order to build healthy and sustainable homes, various factors are needed: regional and low-emission building materials, sustainable materials and the use of renewable energies. Other, less obvious elements also play an essential role in the assessment of sustainability, such as "grey energy" – the energy required to build a house and to transport and produce building materials and construction elements – or the usage criteria of the building.



### Key data of the Building Materials Segment

In € million	2015	2016	2017	2018	2019
Revenues	1,496.4	1,530.1	1,606.1	1,617.5	<b>1,702.8</b>
EBIT	27.4	28.5	30.1	31.1	<b>32.1</b>
Employees (number)	4,093	4,081	4,113	4,211	<b>4,371</b>

### Key operating data of the Building Materials Segment

	2015	2016	2017	2018	2019
<b>Building Materials</b>					
Number of locations (including Austrian markets)	221	202	199	200	<b>203</b>
Surface area in k m <sup>2</sup> (all locations)	2,030.0	1,682.1	1,669.8	1,687.0	<b>1,688.9</b>

### Building Materials Segment

#### Building Materials

- Structural engineering, extensions, civil engineering, building services
- Package solutions
- Systems solutions and services for energy efficiency and healthy building
- Digital services (online portal for building materials, "Mr+Mrs Homes")

**Left Wood** – a renewable raw material – can be used to build roof trusses, in insulation or to create trendy wooden designs.

# For healthier building



A healthy living environment is a quality of life issue, and energy-efficient building the order of the day. These two necessary and aspirational goals do not necessarily complement each other. Energy efficiency demands ever denser building shells. This results in a lack of air exchange inside the building, which means toxins from building materials cannot escape, leading to higher concentrations of indoor air pollutants. BayWa and its BauGesund (healthy building) concept have the solution.

The Efficiency House Plus in Burghausen, Germany, initiated as a research project of the federal research programme "Zukunft Bau" (future of construction), and Germany's first Efficiency House Plus colony near Augsburg are visible proof of BayWa's vast experience in implementing a wide range of building projects that ensure a healthy living environment. They were the first step in what has since become the BauGesund concept, now replete with a seal, database and full-fledged partnership. The BauGesund seal marks materials that BayWa's Building Materials business unit has evaluated

as low-emission building products and have included in the BauGesund database. This database comprises over 7,000 low-emission products from various manufacturers across all trades and is constantly being expanded. It serves property developers, tradespeople and architects as an important orientation marker.

BayWa passes on knowledge and experience through its BauGesund partnership. In this way, it is able to support regional craft enterprises and construction companies in the implementation and marketing of healthy housing. BauGesund partners are able to make use of the product database, receive training and phone consultation during ongoing projects, and benefit from joint marketing and sales measures. As competent providers, they are then able to promote healthy living and distinguish themselves in their regional markets. Upon completion of a building project, and at the request of the customer, a BauGesund certification according to DIN standards certifies the quality of indoor air, which also contributes to the increased value of the building.

### More than just energy efficient

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# Building Materials

The challenges for the construction industry are as demanding as they are varied: creating housing in urban centres, ensuring climate-friendly construction and living, targeted implementation of digital solutions and further increasing efficiency in light of the noticeable shortage of skilled labour. As one of the leading companies in the building materials trade in southern Germany and Austria, BayWa addresses these issues in a solution-oriented manner and often assumes a pioneering role.

Climate protection begins at home. The potential for CO<sub>2</sub> savings here is enormous throughout Germany, as the construction of many existing houses and apartments is outdated, with both thermal insulation and building technology far behind today's accepted standards. In order to increase the incentive for renovation and modernisation, the German federal government has significantly increased the funding measures within the scope of the climate package. BayWa helps people to navigate the labyrinth of funding and subsidies online with its funding database and on-location through individual advice. More clarity here leads to an increased

commitment to renovate, which is good for the climate, property owners, regional tradespeople and BayWa. The experts from BayWa's Building Materials business unit ensure that everything concerning the funding runs smoothly and even take over the application process. Once the time comes for the renovation itself, the building materials trade is available on site. When modernising heating systems, the BayWa Haustechnik GmbH operations are there to professionally carry out all the necessary work. From installation through to servicing, their range of products and services covers the entire plumbing, heating and cooling technology trade.

Besides climate protection, digitalisation is a key focus for BayWa's Building Materials business unit, and BayWa has already made considerable progress here. In co-operation with partners, it is currently implementing an exemplary construction project in Borna near Leipzig: Germany's first detached housing residential area realised with building information modeling (BIM). All aspects of the Wohnen am Lerchenberg (Lerchenberg residences) ([www.wohnen-am-lerchenberg.de](http://www.wohnen-am-lerchenberg.de)) project are fully digi-

Expert advice is what sets a good building materials retailer apart.



Tjiko's bathroom modules make use of wooden construction for industrial production with a unique character.

tal, from sale and planning through to construction. The "Mr+Mrs Homes" property configurator provides the basis for the project. Developed by BayWa and its Group company PURE Applikationen GmbH & Co. KG, the digital platform digitalises the entire construction project from beginning to end. A 3D house model that buyers can use to design their future homes down to the very last detail is at the heart of the concept, allowing them to get everything just right before making their decision – and always accompanied by the respective fixed price.

### Rethinking wooden construction

Digitalisation is pushing increased efficiency in the construction industry in a variety of ways. One example of this is industrial pre-fabrication. The BayWa affiliate Tjiko GmbH from Rosenheim, Germany, has taken a promising approach in this respect with their production of bathroom modules made entirely from wood: A fully digital process and configurator allow for the serial production of individually designed bathrooms complete with interior fittings. The Tjiko bathroom modules are chiefly aimed at property developers and general contractors who want to realise an economical and highly individualised bathroom design in large residential building projects that primarily make use of wooden construction. The cooperation with Tjiko is of special interest to BayWa due to the confluence of the future-oriented topics of digitalisation, wooden construction and industrial pre-fabrication, which are important for the construction industry, and the innovative approach that this undertaking offers to increasing productivity in the construction industry.



### Customer's choice

The BayWa Building Materials Online portal ([www.baywa-baustoffe.de](http://www.baywa-baustoffe.de)) closes the loop between online and bricks-and-mortar retail. BayWa offers a comprehensive multi-channel solution for BayWa's building materials sales region. All customers need to do is select their preferred site, search for their desired product range and check stocks and prices in real time before making their purchase online and picking up their orders on-site. To make that possible, BayWa's building materials operations are connected to the online portal as digital locations and can be selected as pick-up locations by scanning product availability.

# Innovation & Digitalisation Segment

With the Innovation & Digitalisation Segment, BayWa is both keeping pace with momentum in this field and underscoring the strategic importance of innovation for the entire company. This segment pools digital activities, along with the further development of innovative approaches. The focus is currently on projects in the fields of Digital Farming and eBusiness. Digital Farming is focused on the development and marketing of digital solutions for agriculture, thereby offering farmers new opportunities to optimise operating processes and allowing them to work more cost efficiently and sustainably. In eBusiness, the focus is on forging ties between digital service offerings, such as online purchasing, and brick-and-mortar retailers, and on further advancing and optimising advice apps.

Key figures for 2019

€10.6 m

in revenues

198

employees (annual average)



## Soil samples at the click of a mouse

Audili, a start-up that won the BayWa Smart Farming Challenge in 2019, develops self-learning software that uses satellites to determine soil properties as a substitute for labour-intensive soil sampling and time-consuming lab analyses. Using artificial intelligence, Audili supplies new satellite data every five days, and with it, a new analysis of the soil at the click of a mouse. The system opens up a whole new dimension in sustainable, efficient crop farming with an eye to aspects like formation of humus in the soil. BayWa and its Group companies VISTA und FarmFacts are supporting Audili in further developing the system and paving the way for the practical use of this innovation.

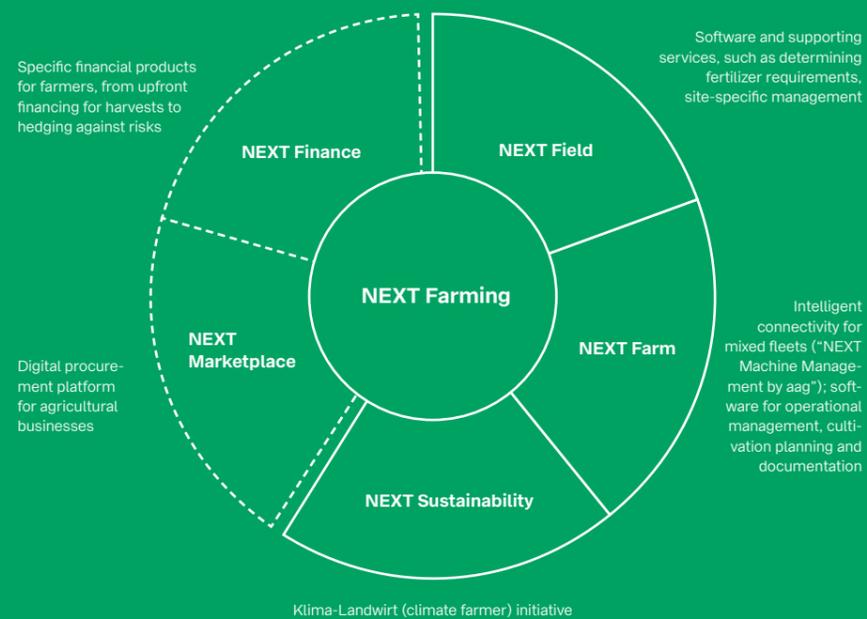


BayWa markets the products and innovations arising from the Innovation & Digitalisation Segment in its operational segments. The revenues and earnings from these sales are therefore allocated to the individual segments. The Innovation & Digitalisation Segment derives most of its revenues from sales of software licences and maintenance contracts. Development and investment costs are still reflected in the Innovation & Digitalisation Segment, however. As a result, the segment posted negative earnings before interest and tax (EBIT) in spite of its positive revenues, as planned.

#### Key data of the Innovation & Digitalisation Segment

in € million	2015	2016	2017	2018	2019
Revenues	5.2	6.0	6.9	10.7	10.6
EBIT	-2.9	-8.6	-10.7	-12.3	-14.6
Number of employees (annual average)	97	126	158	183	198

#### Digital agriculture thanks to NEXT Farming from FarmFacts



#### The next big thing: robotics for sustainable agriculture

Monotonous, physically demanding work is a pain for anyone, and to be able to do without chemicals is always good – robotics in agriculture makes this possible. All over the world, start-ups are working to develop agricultural robots for tasks such as harvesting apples and mechanically controlling weeds in vineyards, tree nurseries and places where fruits and vegetables are grown. T&G Global tested its first commercial picking robot during this year's harvest. Through the Robotic Challenge 2019 competition, BayWa and RWA supported the advancement of autonomous field robots like these toward market readiness. At the International Green Week 2020 in Berlin, they presented two agricultural robots, "Oz" and "Vitrover", whose role is to control weeds and all that without any chemicals or grumbling.

**Left** TalkingFields maps: the use of satellite data in agriculture helps the environment and farmers alike.

# Farmers as climate stewards

Ever since the European Union adopted its Green Deal, protecting the climate has been one of the top priorities. The goal is to take faster, more effective action to curb greenhouse gas emissions and limit global warming – an area where agriculture attracts its share of criticism. Yet agricultural land offers a wealth of untapped potential for actively protecting the climate. Humus formation is the solution farmers can use to benefit both the climate at large and their own farms. The BayWa subsidiary FarmFacts can help: with its Klima-Landwirt (climate farmer) initiative, the company has developed a system that makes building humus both practical and economically attractive.

It's all based on a law of chemistry. Humus binds carbon, thereby reducing levels of CO<sub>2</sub>, a greenhouse gas, by as much as 5 tonnes per hectare per year. Scientific studies (soil condition report of the Thünen Institute, Braunschweig, 2018) assume that agricultural land in

Germany could store 2.5 billion tonnes of carbon in total. That means agricultural and forest ecosystems together store as much organic carbon as Germany emits in the form of CO<sub>2</sub>, at current levels, over 23 years. The higher the amount of humus in the soil, the more CO<sub>2</sub> it can bind. Humus forms through various factors, such as diversified crop rotation and supplying the soil with organic substances through methods such as incorporating plant residue and fertilizing with compost or manure.

The FarmFacts Klima-Landwirt initiative gives this form of sustainable farming an economically attractive element: The CO<sub>2</sub> bound in the humus can be measured and converted to carbon credits. Selling these credits to CO<sub>2</sub> emitters such as industrial and trading companies is an additional line of income for farmers. FarmFacts cooperates with the CarboCert carbon credit brokerage to make this possible.



#### Soil samples at the click of a mouse

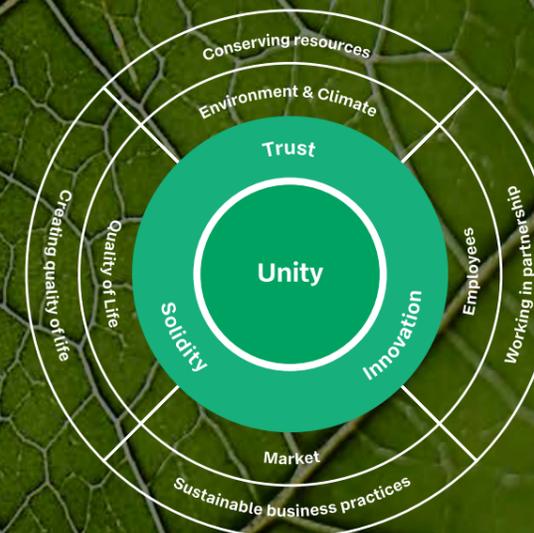
Audili, a start-up that won the BayWa Smart Farming Challenge in 2019, develops self-learning software that uses satellites to determine soil properties as a substitute for labour-intensive soil sampling and time-consuming lab analyses. Using artificial intelligence, Audili supplies new satellite data every five days, and with it, a new analysis of the soil at the click of a mouse. The system opens up a whole new dimension in sustainable, efficient crop farming with an eye to aspects like formation of humus in the soil. BayWa and its Group companies VISTA und FarmFacts are supporting Audili in further developing the system and paving the way for the practical use of this innovation.



# Sustainability

Halting climate change, feeding a growing global population, shaping digitalisation and demographic change – those are the key challenges facing the world of politics, society at large and the business sector today. As an internationally operating business, BayWa is no exception in having to tackle these changes and live up to its responsibility to balance international growth and the interests of future generations. Based on its core values of innovation, solidity and trust, BayWa has aligned its sustainability strategy toward four fields of action: market, environment and climate, employees as well as quality of life. The company's sustainability activities are geared towards several overarching goals: sustainable business practices, conserving resources, working in partnership and creating quality of life.

BayWa's sustainability strategy



Additional information is available in BayWa's sustainability report at: [www.baywa.com](http://www.baywa.com)



## Climate-neutral business practices at Global Produce

The Global Produce business unit has been leading by example in terms of climate-neutral business practices since 2016. Following the largest production location, in Kressbronn, Germany, all German locations of Global Produce have been climate neutral since 2018. The Dutch Group subsidiary TFC Holland B.V. achieved climate neutrality in 2019 as well. Ongoing reductions in greenhouse gas emissions at these locations have been achieved in a variety of ways, including switching to LEDs, installing high-speed doors to prevent the loss of cold air and installing solar panels to generate their own power. Another Group subsidiary, the New Zealand-based T&G Global, is also taking ongoing steps to effectively reduce greenhouse gas emissions.

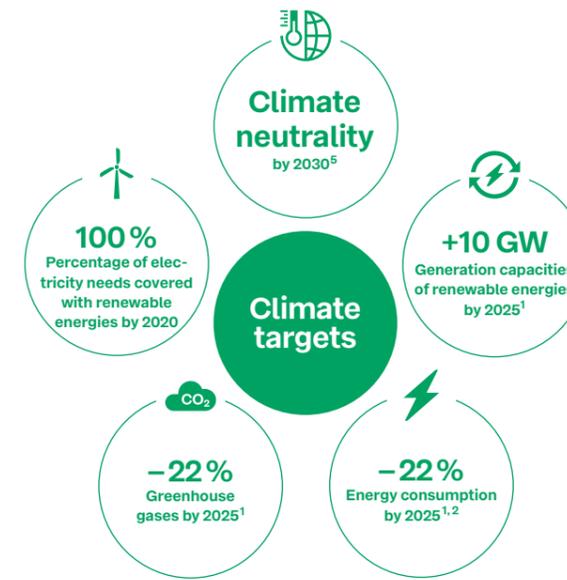


# Global challenges

BayWa identified the United Nations Sustainable Development Goals (SDGs) to which the company can contribute back in 2016. These goals remain in place for the company after a comparison performed in cooperation with internal and external stakeholders in 2019.

SDG	BayWa contribution
	<ul style="list-style-type: none"> <li>Energy consumption reduced by 21.8%<sup>1,2</sup></li> <li>Group-wide use of green energy increased to 73%<sup>3</sup></li> <li>Worldwide renewable energy capacity expanded since 2017 to over 3 gigawatts (GW)</li> <li>Compensation for 153,360 tonnes<sup>4</sup> of greenhouse gas emissions in 2019 through carbon credits</li> </ul>
	<ul style="list-style-type: none"> <li>Range of around 500 products in the areas of livestock farming, soil fertility and seed for organic farming</li> <li>77% share of waste recycled at BayWa AG</li> </ul>
	<ul style="list-style-type: none"> <li>Total of 156 action days for healthy nutrition held in 2019</li> <li>75% of grain volume traded by the Agri Trade &amp; Service business unit in 2019 certified (in accordance with the EU REDcert sustainability standard)</li> <li>Nearly 98% of oilseed traded by the Agri Trade &amp; Service business unit in 2019 certified (in accordance with the EU REDcert sustainability standard)</li> <li>Nearly 1 million tonnes of soya volume traded by BAST in 2019 certified (in accordance with the RTRS sustainability standard or CRS)</li> </ul>
	<ul style="list-style-type: none"> <li>21% of managers are female</li> <li>34 BayWa Foundation education projects carried out worldwide</li> <li>94% of employees at BayWa AG fall under the BayWa pay scale</li> </ul>
	<ul style="list-style-type: none"> <li>10.6 hours of training per employee</li> <li>EBIT up by about 9% year on year</li> </ul>
	<ul style="list-style-type: none"> <li>6,139 employees trained on compliance topics</li> </ul>
	

1 Base year: 2017  
 2 Per euro of EBITDA  
 3 Including shifts in consumption of grey energy through certificates of origin for green energy  
 4 Scope 1, 2 and 3 (emissions from in-house activities along with upstream and downstream activities)  
 5 BayWa defines climate neutrality as the avoidance, reduction and compensation of remaining Scope 1 and 2 greenhouse gas emissions (CO<sub>2</sub> and other relevant gases with an impact on climate) through investments in high-quality carbon credits.



Additional information is available in BayWa's sustainability report at: [www.baywa.com](http://www.baywa.com)



# BayWa's climate strategy

With its Group-wide climate strategy, BayWa aims to help keep global warming significantly below 2 degrees Celsius. This is also part of its ambitious goal of being climate neutral by 2030. To achieve this, the company plans to significantly reduce energy consumption and emissions, shift more toward renewable energy sources and compensate for remaining emissions by purchasing high-quality carbon credits over the next few years.

### Climate-related successes of BayWa

In just the first year of its climate strategy, BayWa already made progress compared with the base year, 2017. Thanks to energy efficiency measures, a shift to electric vehicles and optimisation of logistics operations, BayWa was able to drive growth with hardly any increase in emissions. Scope 1 and 2 greenhouse gas emissions were up only slightly, by 0.8%. Energy consumption decreased by 21.8%, putting BayWa close to

its energy goal. Of the electricity used, over 70% was derived from renewable sources.

Where greenhouse gas emissions cannot be prevented or reduced, BayWa neutralises these emissions by purchasing high-quality carbon credits. 2019 also marked the first time BayWa AG participated in the climate scoring system operated by CDP, an international non-profit organisation. BayWa was ranked among the 30% of companies from the trading, wholesale, distribution, letting and leasing sector that have achieved what is known as the Awareness Level. BayWa emphasises its climate goals within the company and beyond: for the second time in a row, the company participated in the Klimapakt Münchner Wirtschaft (Munich business climate pact), joining forces with other companies in Munich towards the goal of cutting greenhouse gas emissions by 20,000 tonnes until 2021.

### Climate-neutral business practices at Global Produce

The Global Produce business unit has been leading by example in terms of climate-neutral business practices since 2016. Following the largest production location, in Kressbronn, Germany, all German locations of Global Produce have been climate neutral since 2018. The Dutch Group subsidiary TFC Holland B.V. achieved climate neutrality in 2019 as well. Ongoing reductions in greenhouse gas emissions at these locations have been achieved in a variety of ways, including switching to LEDs, installing high-speed doors to prevent the loss of cold air and installing solar panels to generate their own power. Another Group subsidiary, the New Zealand-based T&G Global, is also taking ongoing steps to effectively reduce greenhouse gas emissions.



# The Financial Year 2019

Overall, the financial year 2019 saw positive development. The Group's operating earnings before interest and tax (EBIT) increased significantly, with revenues and EBIT in the Renewable Energies business unit rising to new highs. The diversified structure – with its Energy, Agriculture and Building Materials Segments – proved itself once again, as did the strategic focus on international markets and future-oriented business areas and models.



## Change in figures

The global goal of energy transformation and the resulting growth in activities made themselves felt at BayWa in the form of change in the way EBIT is weighted. At €101 million, the Renewable Energies business unit now accounts for the largest share of total EBIT.

## Key figures for 2019

**€17.1 bn**  **2.6%**

revenues in 2019

**€188.4 m**  **9.3%**

EBIT in 2019

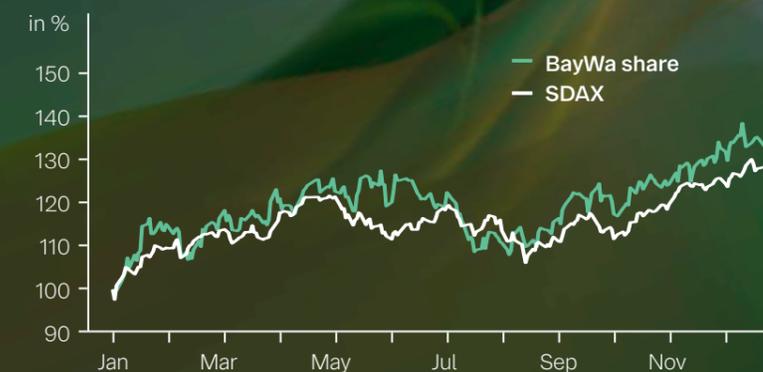
**18,831**  **4.6%**

employees (annual average) in 2019

## At the Capital Market

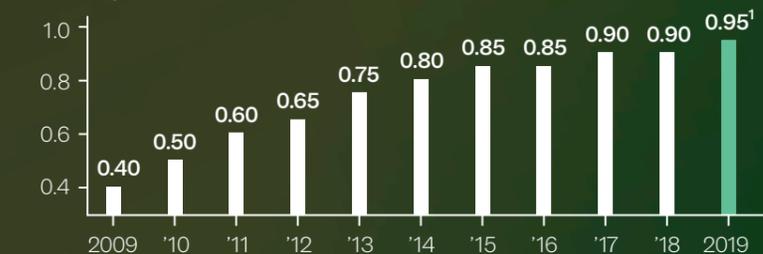
The BayWa share looks back on an excellent year 2019. Overall, the share price rose by approximately 37%, thereby outperforming the SDAX and many comparable global indices.

### Positive price performance of the BayWa share in 2019



### Sustainable dividend development

(Dividend per share in €)



<sup>1</sup> Subject to approval by the Annual General Meeting

**Dividend increase proposed:** BayWa is continuing to uphold the steady, earnings-oriented dividend policy that has been pursued in recent years. The Board of Management and Supervisory Board will therefore put forward a proposal to the Annual General Meeting to raise the dividend by 5 cents to 95 cents per share.



### First green bond

BayWa issued its first green bond in June 2019. A total volume of €500 million was placed with domestic and international institutional investors. This constitutes the first benchmark-sized green bond transaction (more than €500 million) by a non-rated company in Europe. The issue proceeds will serve to finance new and existing wind farms and solar parks around the world. The green bond was considerably oversubscribed due to strong investor demand, allowing BayWa to generate a coupon of 3.125%. The oversubscription of the order book underscores the trust of investors in BayWa and in its competence in the area of sustainability. The green bond has a term of five years and is traded on the regulated market of the Luxembourg Stock Exchange.

# Positioning of the BayWa share

BayWa's registered shares with restricted transferability are traded on the regulated markets on the Frankfurt and Munich stock exchanges, in the XETRA trading system, as well as OTC on the stock exchanges of Berlin, Bremen, Dusseldorf, Hamburg and Stuttgart. BayWa meets the requirements of the Prime Standard for company reporting and transparency, which are high even in international comparison.



- Bayerische Raiffeisen-Beteiligungs-AG  
34.6%
- Raiffeisen Agrar Invest AG  
25.1%
- Freefloat  
40.3%

## Allocation of share capital

BayWa's total share capital amounts to €90,314,398.72. Liable capital increased by €360,739.84 year on year owing to the subscription of employee shares valued at an arithmetical portion of share capital of €2.56 per share. Share capital comprises 35,279,062 registered shares, divided into two classes of shares: registered shares with restricted transferability (sec. ident. no. 519406), which are more liquid due to their high number of 34,035,811, as well as 1,243,251 registered shares that are not subject to restricted transferability (sec. ident. no. 519400). The latter were largely created by issuing shares as part of mergers. The trading volume of this "smaller" class of shares is very limited owing to their low number. Both classes of shares endow equal rights upon the holder.



### Change in figures

The global goal of energy transformation and the resulting growth in activities made themselves felt at BayWa in the form of change in the way EBIT is weighted. At €101 million, the Renewable Energies business unit now accounts for the largest share of total EBIT.

### Long-term price performance of the BayWa share (in €)<sup>1</sup>

	2015	2016	2017	2018	2019
High	38.75	31.46	34.00	33.05	29.40
Low	27.05	25.62	30.25	19.90	20.95
Closing price	28.40	30.79	32.07	20.60	28.25
Market capitalisation (in € million)	987.7	1,071.9	1,122.1	728.9	994.3

<sup>1</sup> XETRA prices: registered share with restricted transferability (sec. ident. no. 519406); market capitalisation: both classes of shares (sec. ident. no. 519406 and sec. ident. no. 519400)

## Actively communicating with the capital market

As a listed company, BayWa continuously provides the various stakeholders in the capital market with information about the Group's performance as well as on its long-term outlook. The Investor Relations department, which is directly overseen by the Chief Financial Officer, is responsible for communicating openly and reliably with analysts, institutional investors, private investors and the financial press. The objective is to increase understanding of BayWa's business model and thereby strengthen the trust of the capital market in the company. Nurturing contacts with existing and potential investors at home and abroad is therefore an integral part of BayWa's investor relations activities. BayWa held a large number of individual meetings with fund managers and financial analysts in the reporting year 2019. These meetings primarily took place at roadshows and capital market conferences. In addition, BayWa regularly participates in forums and conferences for private and small investors, which are organised, for example, by the Deutsche Schutzvereinigung für Wertpapierbesitz (DSW) and the Schutzgemeinschaft der Kapitalanleger (SdK). Additional transparency is created through the

internet, as all financial reports and company presentations are available online in German and English at [www.baywa.com](http://www.baywa.com).

### Positive performance of the BayWa share

Overall, the German stock market experienced positive development in 2019. The DAX benchmark index was largely able to make up for the previous year's losses and closed the year with a gain of 25.5% at 13,249 points, close to its annual high. The BayWa registered share with restricted transferability recorded a price of €28.25 at the close of trading in 2019, an increase of 37.1% compared with the 2018 closing price of €20.60. Including the 90-cent dividend payment for 2018 distributed in the summer of 2019 – corresponding to a dividend return of just under 4.4% in relation to the closing price in 2018 – the total returns for BayWa shareholders in 2019 amount to approximately 41.5%. The market capitalisation of BayWa AG came to €994.3 million at the close of trading in 2019.



### First green bond

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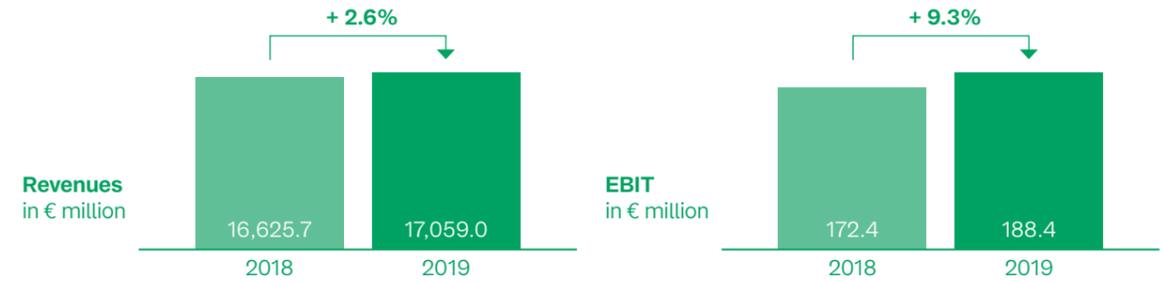
# Overview of the Financial Year 2019

Development was positive overall for the BayWa Group in 2019. The corporate goals for the reporting year were achieved. However, development was varied among the segments. Overall, the Energy Segment developed considerably better than expected. The Renewable Energies business unit, which achieved new highs in both revenues and operating result, was the main factor behind this development. The Conventional Energy business unit also exceeded the goals set for the financial year 2019. The Building Materials Segment developed better than planned in the reporting year. By contrast, the economic situation in the Agriculture Segment is unsatisfactory. In view of the great importance of these business activities for the BayWa Group, action is required here in order to noticeably increase profitability. In 2019, the BayWa Group once again profited from its heavily diversified business activities and its strategic orientation towards international markets and towards new areas of business and business models.

The positive business development in the Energy Segment was driven by both business units in 2019. At €4,474.3 million, the Energy Segment's total revenues were up year on year by €505.8 million. Earnings before interest and tax (EBIT) increased by 32.7% to €127.4 million, thereby setting a new record. The Renewable Energies business unit significantly exceeded the project developments and sales for the year as a whole. Plant sales, with a total output of 911.6 megawatts (MW), more than doubled in the reporting year (2018: 453.0 MW), setting a new record. Overall, revenues rose by 29.1% to €1,975.3 million. Following €72.5 million in the previous year, earnings before interest and tax (EBIT) reached a new high of €101.0 million in the reporting year. The improvement in both revenues and the operating result is primarily attributable to the sharp rise in project sales and growth in solar trading, and exceeded the positive expectations. The development of the Conventional Energy business unit in 2019 was shaped by a strong rise in demand for heat energy carriers. This business unit's revenues rose by 2.5% to €2,499.0 million in the reporting year mainly due to the rise in sales volumes in the heating business. EBIT improved by 12.3% to €26.4 million primarily due to excellent margins in the heating oil and fuel business, thereby reaching a new record high.

The Agriculture Segment's revenues fell slightly by 1.4% to €10,857.5 million, and EBIT fell slightly by €3.5 million to €96.6 million. Development in the business units was therefore mixed. The BAST business unit's grain and oilseed meal handling volume fell by 1.6 million tonnes to just under 25.0 million tonnes in the financial year 2019. This was mainly due to the suspension of business with Iran and the trade conflict between the US and China. The revenues of the BAST business unit declined by 7.8% to €4,875.8 million due to both sales volume and price factors. Earnings were particularly affected by defaults on receivables in connection with the suspension of bread grain business with Iran caused by the sanctions and the lower trading volume. The business unit's total earnings before interest and tax (EBIT) declined slightly in 2019 by €12.0 million to €19.1 million. The BayWa Group's fruit sales increased by just over 8% to 380,550 tonnes in 2019. Development of domestic trade was therefore positive. By contrast, the harvest volume of apples harvested by the New Zealand subsidiary T&G Global Limited was just under 23% lower than in the previous year due to bad weather. The Global Produce business unit recorded moderate revenue growth of 4.5% to €843.9 million in 2019. Earnings before interest and tax (EBIT) increased in 2019 by €9.7 million year on year to €36.9 million. However, this figure includes special income from the sale of a property by T&G Global, which more than compensated for the poorer operating performance. The Agri Trade & Service business unit's grain, oilseed and oilseed meal handling volume increased by 12.5% to just under 7.3 million tonnes. Revenues increased mainly due to volume factors by 4.7% to €3,454.4 million. The business unit's earnings before interest and tax (EBIT) improved to €7.8 million. In a persistently difficult market environment, this increase is mainly due to restructuring measures in previous years. BayWa's agricultural equipment business was unable to reach the record-breaking level of the previous year in 2019. Sales of new machinery declined by 4.1% to 4,617 tractors in 2019. On the other hand, sales of machinery and accessories in the fluid fertilizer segment and the service business developed positively. The Agricultural Equipment business unit's revenues rose by 3.8% to €1,683.4 million. By contrast, earnings before interest and tax (EBIT) fell to €32.8 million in the reporting year (minus 10.4%) following the extremely strong increase in the previous year (2018: plus 83.9%).

## BayWa Group



In Germany, business development in the building materials trade was boosted by the solid development of the construction industry throughout 2019 and the mild weather conditions both in the spring and in late autumn of 2019. In 2019, the Building Materials Segment increased revenues by 5.3% to €1,702.8 million due to pricing and volume factors. Earnings before interest and tax (EBIT) for the segment increased by 3.2% to €32.1 million. In addition to the positive sales development, the successful expansion of the high-margin range of private brands and the linking together of online and stationary sales channels through the Click & Collect function as part of efforts to position the company as an integrated multi-specialist contributed to the improvement in earnings.

In the reporting year, the Innovation & Digitalisation Segment generated revenues on a par with the previous year at €10.6 million (2018: €10.7 million). As predicted, the segment recorded negative earnings before interest and tax (EBIT) of €14.6 million (2018: minus €12.3 million). Among other things, this was due to a rise in marketing expenses in the reporting year in connection with Agritechnica and with the expansion of additional development and distribution capacities.

The BayWa Group generated total revenues of €17,059.0 million in 2019, a 2.6% increase compared to the previous year. EBIT improved by 9.3% to €188.4 million.

The increase in earnings should be seen against the background that the charge of €68.6 million from the termination of the antitrust proceedings regarding crop protection products was processed in the reporting year. This negative effect on earnings was almost offset by income from the sale of investments. At the same time, the result includes total one-off charges of almost €15 million for various projects such as the preparation of a capital increase at BayWa r.e., restructuring measures, portfolio adjustments and the final legal costs in connection with the settlement of the antitrust proceedings. Net income for the period increased by 11.3% to €61.1 million due to improved operating earnings. The Board of Management and Supervisory Board will recommend to the Annual General Meeting a 5-cent increase in the dividend of 95 cents per share.

# Consolidated Balance Sheet as at 31 December 2019\*

<b>Assets</b>		
in € million	31/12/2019	31/12/2018
<b>Non-current assets</b>		
Fixed assets	2,943.0	2,195.3
Receivables and other assets	35.9	29.0
Deferred tax assets	297.7	252.6
	<b>3,276.6</b>	<b>2,476.9</b>
<b>Current assets</b>		
Securities	1.3	1.9
Inventories including biological assets	3,300.0	2,926.0
Receivables and other assets	2,054.9	1,981.9
Cash and cash equivalents	229.7	120.6
	<b>5,585.9</b>	<b>5,030.4</b>
<b>Non-current assets held for sale/disposal groups</b>	<b>4.7</b>	<b>4.2</b>
<b>Total assets</b>	<b>8,867.2</b>	<b>7,511.5</b>
<b>Shareholders' equity and liabilities</b>		
in € million	31/12/2019	31/12/2018
<b>Equity</b>		
<b>Non-current liabilities</b>		
Provisions	795.0	710.0
Financial liabilities and liabilities from finance leasing	2,007.6	1,047.6
Other liabilities	99.8	97.4
Deferred tax liabilities	229.1	219.7
	<b>3,131.5</b>	<b>2,074.7</b>
<b>Current liabilities</b>		
Provisions	289.4	219.9
Financial liabilities and liabilities from finance leasing	2,381.8	2,243.4
Other liabilities	1,705.9	1,584.4
	<b>4,377.1</b>	<b>4,047.7</b>
<b>Liabilities from non-current assets held for sale/disposal groups</b>	<b>-</b>	<b>-</b>
<b>Total shareholders' equity and liabilities</b>	<b>8,867.2</b>	<b>7,511.5</b>

\* Detailed information about BayWa AG's business performance in 2019 is available online in the Consolidated Financial Statements 2019: [www.baywa.com](http://www.baywa.com)

# Consolidated Income Statement 2019\*

<b>Continued operations</b>		
in € million	2019	2018
<b>Revenues</b>	<b>17,059.0</b>	<b>16,625.7</b>
Inventory changes	223.2	217.0
Other own work capitalised	13.7	10.8
Other operating income	225.6	211.3
Cost of materials	-15,513.0	-15,175.7
<b>Gross profit</b>	<b>2,008.5</b>	<b>1,889.1</b>
Personnel expenses	-1,081.9	-990.6
Depreciation/amortisation	-214.6	-142.9
Other operating expenses	-629.4	-599.0
<b>Result of operating activities</b>	<b>82.6</b>	<b>156.6</b>
Income from participating interests recognised at equity	11.2	9.0
Other income from shareholdings	94.6	6.8
Interest income	12.8	12.0
Interest expenses	-122.0	-91.8
<b>Financial result</b>	<b>-3.4</b>	<b>-64.0</b>
<b>Earnings before tax (EBT)</b>	<b>79.2</b>	<b>92.6</b>
Income tax	-18.1	-37.7
<b>Consolidated net result for the year</b>	<b>61.1</b>	<b>54.9</b>
thereof: profit share of minority interest	24.4	22.6
thereof: profit share of shareholders of the parent company	36.7	32.3
<b>EBIT</b>	<b>188.4</b>	<b>172.4</b>
<b>EBITDA</b>	<b>403.0</b>	<b>315.3</b>

\* Detailed information about BayWa AG's business performance in 2019 is available online in the Consolidated Financial Statements 2019: [www.baywa.com](http://www.baywa.com)



# Connectedness to the forest habitat



## The BayWa Foundation receives UN Decade Award

The United Nations have declared the period from 2011 to 2020 as the United Nations Decade on Biodiversity to counteract the global decline in biodiversity. Anchoring awareness of the tremendous importance of nature in society is one of the key goals. Through its special competition "Social Nature – Nature for all", the UN Decade on Biodiversity in Germany is helping to focus public attention on the opportunities that nature offers to enhance social cohesion.

With 800 trees planted, 600 "Waldtagebücher" (forest diaries) in pupil's bags and 600 schoolchildren reached, the new educational project "Die Waldschule" (forest school) can look back on a successful year in 2019. In autumn 2018, the BayWa Foundation launched a project that lets schoolchildren learn more about forests while playing an active role in environmental protection. Each child plants their own tree, allowing school classes to experience the forest with all their senses, get to know various insects (such as the bark beetle) and understand the relationship between people and nature. The BayWa Foundation has been honoured for its commitment. The United Nations have added the project to their Decade on Biodiversity, describing "Die Waldschule" as an exemplary project with a focus on nature and social issues that demonstrates ways to practically implement specific measures.

"Die Waldschule" was one of 40 projects spearheaded by the BayWa Foundation in 2019. Since being founded in 1998, the foundation has been concerned with social issues, promoting education on healthy nutrition and renewable energies. From educating children on nutrition through the programme "Planting vegetables. Harvest-

ing health." to funding training courses for young women in Zambia and granting the "Deutschlandstipendium" (Germany Scholarship) to students, education is at the heart of every project.

Through its foundation, BayWa AG is taking responsibility for the society's needs in the areas of education, nutrition and energy. The Group also covers the administrative costs and doubles all donations. Thus, 200% of the donations the BayWa Foundation receives flow into its educational activities. BayWa employees also regularly demonstrate their dedication to the foundation. At Social Day events in 2019, for example, they planted 300 new trees during a special campaign for the "Die Waldschule" project in Munich.

Learn more about the BayWa Foundation's activities at: [www.baywastiftung.de](http://www.baywastiftung.de)

Support us with your donation.

Donations account: BayWa Stiftung  
DZ Bank AG Niederlassung München  
IBAN: DE16 7016 0000 0000 5554 44  
BIC: GENODEFF701



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**BayWa Company Brochure**  
**Think boldly – act responsibly**  
[www.baywa.com/en/press](http://www.baywa.com/en/press)

**BayWa Consolidated Financial Statements 2019**  
[www.baywa.com/en/investor\\_relations](http://www.baywa.com/en/investor_relations)

**BayWa Sustainability Report 2019**  
[www.baywa.com/en/sustainability](http://www.baywa.com/en/sustainability)

## Imprint

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PR/Corporate Communications/Public Affairs  
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