Half-Year Financial Statements

BayWa Group 2020

Contents

Note

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

Interim Management Report

Overview of Business Performance of the BayWa Group

BayWa fully makes up for first-quarter losses by mid-year despite coronavirus crisis – EBIT benefits from diversified business portfolio

After six months of the current financial year, consolidated revenues stood at roughly €8.2 billion and were therefore down 2.6% year on year. Earnings before interest and tax (EBIT) improved by €1.6 million to a total of €53.8 million. In the second quarter, the BayWa Group achieved EBIT of roughly €81.6 million. As a result, the BayWa Group was more than able to make up for the typical seasonal loss from the first quarter of minus €27.8 million and saw an above-average second quarter, even in a multi-year comparison.

All three operating segments at BayWa recorded a significant year-on-year increase in earnings (EBIT) in the first half of 2020. The most marked improvement in earnings was seen in the Building Materials Segment, which benefited from the continued strength of the construction sector and generated tangible sales growth across the entire product range. In the Agriculture Segment, above-average sales prices and the high demand for fruit, which was boosted by the coronavirus crisis, led to a rise in earnings in the Global Produce business unit. The Agricultural Equipment business unit also developed very dynamically and succeeded in posting yet another rise in earnings. Here, the relatively high willingness to invest among farmers led to a rise in sales in new machinery business. In the Energy Segment, the Conventional Energy business unit benefited from a very high demand for heating oil as a result of the extreme drop in prices on crude oil markets. EBIT once again improved significantly year on year. Overall, BayWa – as an essential business – has managed to hold its ground in the current coronavirus crisis.

In € million	**Q2/2020**	Q2/2019	Change in %	**Q1–2/2020**	Q1–2/2019	Change in %
Revenues	**4,323.6**	4,331.0	- 0.2	**8,193.7**	8,410.6	- 2.6
EBIT	**81.6**	66.0	23.6	**53.8**	52.2	3.1

The Energy Segment experienced a strong first half of 2020. EBIT rose by approximately €4.6 million year on year to a total of €16.7 million (H1/2019: €12.1 million). The main driver of earnings was the high demand for heating oil in the Conventional Energy business unit on account of the sharp drop in oil prices. The slight decline in earnings in the Renewable Energies business unit was due to the inclusion of the sale of shares in Biomethan GmbH, Munich, Germany, of roughly €7.2 million in the earnings in the same period in 2019. BayWa r.e.'s project business developed in line with expectations. Plans are in place to sell projects around the world with a total output of roughly 1.2 gigawatts (GW) by the end of the year. Trading activities involving photovoltaic (PV) components outperformed the expectations internationally and are likely to continue growing within Germany following the abolition of the 52 GW cap on public funding for solar capacity installation.

The Agriculture Segment saw its EBIT rise by 14.9% year on year to €61.6 million (H1/2019: €53.6 million), with substantial earnings growth in the Global Produce and Agricultural Equipment business units. High demand for fruit, coupled with good sales prices, helped to ensure a significant improvement in earnings year on year. Agricultural equipment trading also saw high growth rates and benefited from farmers' willingness to invest. The market conditions for the Agri Trade & Service business unit were once again challenging. Below-average agricultural input prices, along with regulatory and vegetation-related restrictions on the use of fertilizers, led to sluggish trade. In addition, both domestic and international trade in grain and oilseed were limited due to relatively low producer prices and the market conditions on account of the coronavirus pandemic. Recovery can be expected here in the second half of the year.

The half-year results for 2020 in the Building Materials Segment reflect the prevailing upward trend in the construction sector. This positive trend is set to continue in the second half of the year, as it appears that the entire construction sector is operating at high capacity. Additional earnings contributions are expected from construction projects and strong demand in residential construction. The segment's earnings before interest and tax (EBIT) rose by €10.2 million year on year to a total of €17.2 million (H1/2019: €7.0 million).

Owing to the business development to date and the high proportion of essential activities performed by the BayWa Group, the Group's earnings before interest and tax (EBIT) are expected to match at least those seen in the previous year.

Business Performance by Segment in the First Half of 2020

Energy Segment

Market and industry development

Despite the coronavirus crisis, investments in renewable energies increased by 4% year on year in the first half of 2020 to stand at USD137 billion. Investments in solar energy decreased by 6% year on year to roughly USD55 billion, whereas investments in wind energy rose by a substantial 30% to just under USD73 billion. Of that total, some 52% was attributable to onshore wind energy. China was once again one of the largest markets for renewable energies in the first half of 2020, with investments of nearly USD42 billion. Global capacity expansion of onshore wind power capacities is likely to increase to just under 60 gigawatts (GW) over the course of 2020 as a whole, equating to a rise of roughly 13% year on year. In addition to the two major individual markets of China and the US, capacity expansion is likely to be driven mainly by the growth markets in the Asia-Pacific region. According to global forecasts, the field of solar energy can expect to see a capacity expansion of approximately 111 GW in 2020, which corresponds to a slight decline of almost 6% year on year. This development is largely due to the coronavirus-related adjustment of the forecast for capacity expansion in China. Alongside the growth drivers of China, India and the US, some 23% of PV capacity expansion will likely be attributable to the EMEA region. Renewable energies covered nearly 50% of energy consumption in Germany in the first half of 2020, which works out to a rise of about 6% year on year. In the same period, a new generation record of 135 billion kilowatt-hours (kWh) was achieved, with roughly 6% more green electricity being fed into the grid than in the same period in 2019. At 74 billion kWh, wind energy accounted for the lion's share of renewable electricity, with solar energy contributing 27 billion kWh. While the capacity expansion of solar energy in Germany exceeded the previous year's figure by 8% to stand at approximately 1.9 GW in the first five months of the calendar year 2020, capacity expansion of onshore wind turbines came to 601 megawatts (MW) in the same period, up by around 125% on the previous year. Despite this significant increase in wind energy, capacity expansion was still well below the level seen in previous years due to lengthy approval processes and a lack of designated spaces, as well as a large number of lawsuits and official complaints against approvals already granted that could lead to delays or cancellations for some projects.

Even before the onset of the coronavirus crisis, crude oil markets faced an oversupply that led to a decline in the price of oil from around USD70 per barrel to USD50 per barrel by the end of February. The drop in prices gained speed after talks between the OPEC+ member states and Russia regarding production cuts failed in March, resulting in a price war between Russia and Saudi Arabia. Crude oil prices initially continued falling even after the oil-producing states known collectively as OPEC+ reached an agreement on significant cuts in oil production, bottoming out at around USD19 per barrel in April. The sustained fall in prices was primarily attributable to the decline in demand for fossil fuels on account of the worldwide physical distancing guidelines and restrictions on mobility during the coronavirus crisis. Since then, prices have recovered but are still lower than they were at the start of the coronavirus crisis. In June, the price of crude oil ranged from USD38 per barrel to USD42 per barrel. The average crude oil price for the first six months of 2020 was roughly 36.4% lower year on year. The development of crude oil prices was reflected in the price of heating oil, which fell from approximately 66 euro cents per litre in January to around 48 euro cents per litre in June. As a result, the average heating oil price in the first six months of 2020 was 18.6% lower than in the same period in 2019. Consumers took increased advantage of this price trend to stock up. Sales of heating oil in Germany increased by 28.1% year on year between January and May 2020. By contrast, fuel sales fell by 10.5% due to the nationwide physical distancing guidelines and restrictions on mobility to combat the coronavirus pandemic. Demand for lubricants also decreased by 13.6% on account of economic development. Compared to 2019, wood pellet prices were 3.5% lower on average in the first half of the year, primarily due to lower demand for pellets in the industrial and commercial sectors as a consequence of the lockdown.

Business performance

	Revenues			EBIT		
In € million	**Q1–2/2020**	Q1–2/2019	Change in %	**Q1–2/2020**	Q1–2/2019	Change in %
Renewable Energies	835.8	696.1	20.1	- 1.3	0.5	> - 100
Conventional Energy	915.0	1,230.7	- 25.7	18.0	11.6	55.2
Energy Segment	**1,750.8**	**1,926.8**	- 9.1	**16.7**	**12.1**	38.0

The BayWa Group's Energy Segment comprises the trading activities in fossil and renewable heating oils, fuels and lubricants as well as its business in renewable energies, which is pooled in BayWa r.e. renewable energy GmbH (BayWa r.e.). In the first six months of the current reporting year, the segment reported a price-related decline in revenues of 9.1% year on year. The segment's earnings before interest and tax (EBIT) were 38.0% higher than in the same period in 2019. This development was mainly attributable to higher sales volumes for the heat energy carriers heating oil and wood pellets in the Conventional Energy business unit and strong trading business involving PV components at BayWa r.e.

In the Renewable Energies business unit, the first half of 2020 was characterised by the planning and start of construction on a wide range of wind and solar energy projects. Of the planned projects with an output of around 1.2 GW that are slated for sale in the financial year 2020, four solar parks in the Netherlands with a total output of more than 54 MW were sold in the reporting period. Those solar parks included the Bomhofsplas floating photovoltaics project, which is now fully operational and is the largest of its kind in Europe. In cooperation with the Dutch subsidiary GroenLeven, the business unit managed to build the project in just seven weeks. With an output of 27.4 MW, the solar park generates enough electricity to power some 7,200 households. In Poland, the construction of the country's first subsidy-free solar park commenced, with a total output of 65 MW. Furthermore, solar project rights of 14 MW were sold in Japan. As in previous financial years, the majority of solar park sales will take place in the second half of 2020.

The growth in PV component trade continued in the first half of 2020. Foresighted procurement management made it possible to avoid temporary bottlenecks in supplies from Asia and ensure the ability to deliver goods. The total output of the sold PV modules increased by around 31% year on year. Sales of inverters rose accordingly. The growth was primarily due to the marked decrease in costs related to PV components and the resulting improvement in competitiveness compared to conventional energy carriers. By contrast, the lockdown in some countries had a negative impact on service business. In terms of EBIT, the Renewable Energies business unit was unable to match the level seen in the previous year. The main reason for this development was that BayWa r.e. sold its shares in BMH Biomethan GmbH, Munich, Germany, through profit or loss in the same period in 2019. BayWa acquired a stake in the Munich-based company in 2011.

In the Conventional Energy business unit, demand for heat energy carriers benefited from attractive oil prices in the first half of 2020. Sales of heating oil were up by nearly 28%, and sales of solid fuels such as wood pellets increased by around 8% year on year. The higher sales volumes likely benefited from the price trend, which consumers viewed as a signal to buy and took advantage of to stock up. The favourable consumer prices and the expansion of capacities at the two pellet plants in Wunsiedel, Germany, supported the marketing and sale of wood pellets. In the fuel business, sales volume was down substantially year on year due to the nationwide physical distancing guidelines and restrictions on mobility introduced in mid-March. Adjusted for the disposal of the TESSOL subsidiary in the previous year, sales fell by roughly 23%. The slowdown in economic development was also reflected in the lubricant business, where sales volume decreased by approximately 7% year on year on account of lockdown-related production stoppages in the industrial and commercial sectors. In terms of EBIT, the Conventional Energy business unit again significantly outperformed the outstanding figures seen in the previous year thanks to the above-average sales of heat energy carriers as of 30 June 2020.

Agriculture Segment

Market and industry development

According to a forecast by the U.S. Department of Agriculture (USDA), global production is expected to rise by just under 3% year on year to around 2.23 billion tonnes (excluding rice) in grain year 2020/21. Wheat production is slated to increase by approximately 1%, with corn production rising by roughly 4%. The higher potential corn yield is primarily attributable to the positive harvest prospects in the US, as better weather conditions have made it possible to sow corn on schedule, unlike in the previous year. Based on the high yield forecasts, inventory stocks are also likely to reach record highs. For example, wheat stocks are expected to stand at an above-average 315 million tonnes (2019/20: 297 million tonnes). Global oilseed production has been positively influenced by more favourable weather conditions in the US and South America. At 604 million tonnes, the USDA expects oilseed production to increase by roughly 5% year on year. By contrast, the

European grain harvest is likely to decrease slightly by 4% year on year to a total of 303 million tonnes on account of dry conditions. In Germany, precipitation in June and July has helped to slightly push up harvest forecasts. As a result, the German Raiffeisen Federation (Deutscher Raiffeisenverband) expects a grain harvest of roughly 45 million tonnes in 2020, up slightly year on year. At the start of the year, agricultural commodity prices came under pressure from the coronavirus pandemic and the falling price of oil. Positive global harvest and stock forecasts by the USDA in June pushed grain prices down further for a while in June. On the MATIF, wheat prices fell from €193 per tonne on average in January to around €176 per tonne by the end of June. Prices started to rebound after the forecasts were reduced in July. The average price for soya meal was down 2% year on year in the first six months of 2020, with the average price of corn losing roughly 6% year on year in the same period. Wheat prices on the MATIF were on a par with the previous year in the first half of 2020.

In fruit farming, the European apple market continues to be influenced by the previous year's below-average harvest. In June 2020, apple stocks were 36% lower year on year in Europe and 57% lower year on year on Germany, with the coronavirus-related increase in demand for fruit also contributing to this development. On account of the scarce supply and the high demand, apple prices in Germany were nearly 37% above their five-year average in May and stood at 71 euro cents per kilogramme. No forecasts for the European apple harvest in 2020 are available to date. The harvest is expected to be average at best due to a few frosty nights during the bloom phase in April and May. Record harvests are also not anticipated in Eastern Europe. New Zealand expects to see a rise in apple production, resulting in a slight year-on-year increase in the apple harvest in 2020. Moreover, the fruit quality associated with this year's harvest will be much better than in the previous year due to weather-related conditions. Apple exports are set to rise once more.

In the agricultural input sector, sales of fertilizers fell due to unfavourable weather conditions and the regulatory framework. The long period of dryness in the first half of the year prevented the application of fertilizer in some regions. Along with oversupply, low energy prices pushed down fertilizer prices. As a result, nitrogen fertilizers such as calcium ammonium nitrate (CAN) lost some €30 per tonne between the end of March and June to trade at €171 per tonne. Sales of crop protection products are also down due to the expansion of restrictions to cover an increasing number of active ingredients and the dry conditions at the start of the year, which lowered the susceptibility of crops to disease. Moreover, the decline in rapeseed cultivation area also reduced demand for crop protection.

Sentiment among German farmers has recovered slightly compared to March 2020. At 15.8 points, however, the agricultural industry's economic barometer remained relatively low and was down 4.6 points on the previous year. This pessimism was primarily attributable to the unfavourable economic and political conditions, as well as the effects of the coronavirus crisis and the associated uncertainty. Compared to the high figures seen in the previous year, the number of newly registered tractors in Germany decreased slightly by around 2.7% year on year between January and June 2020 to stand at 14,871 tractors. In the second half of the year, farmers in Germany plan to reduce their investments by €0.2 billion year on year to €3.9 billion. Nevertheless, investments in machinery and equipment are set to increase slightly. Despite the coronavirus crisis, farmers appear to have encountered few liquidity shortfalls since December 2019.

Business performance

The Agriculture Segment is divided into four business units: BayWa Agri Supply & Trade (BAST), Global Produce, Agri Trade & Service and Agricultural Equipment. The BAST and Agri Trade & Service business units cover national and international trade in agricultural products and agricultural inputs. Global Produce encompasses global trade with fruit and fruiting vegetables. The Agricultural Equipment business unit involves trade in agricultural machinery and facilities and offers a comprehensive range of services.

	Revenues			EBIT		
In € million	**Q1–2/2020**	Q1–2/2019	Change in %	**Q1–2/2020**	Q1–2/2019	Change in %
BAST	2,238.7	2,564.0	- 12.7	8.6	8.4	2.4
Global Produce	451.2	397.7	13.5	18.2	10.0	82.0
Agri Trade & Service	1,987.0	1,936.2	2.6	18.9	24.5	- 22.9
Agricultural Equipment	876.9	798.4	9.8	15.9	10.8	47.2
Agriculture Segment	**5,553.8**	**5,696.3**	- 2.5	**61.6**	**53.6**	14.9

In the first half of 2020, the Agriculture Segment recorded a slight year-on-year decrease in revenues that was primarily attributable to the lower handling volume of grain and oilseed in the international trading business. The segment's EBIT improved by nearly 15% in the reporting period due to positive development in the Global Produce and Agricultural Equipment business units, which benefited from good product availability during the lockdown.

In the BAST business unit, grain and oilseed sales volumes were roughly 14% lower year on year in the first half of 2020. Trading activities were restricted on account of the lockdown, particularly in Italy and Spain, and trade in standard products such as wheat and corn was rather subdued. Alongside the pandemic, political uncertainties – such as the trade conflict between the US and China – had a negative impact on trading. Trade involving soya meal was particularly affected by this development, as increasing imports from the US have triggered strong competition and price pressure in Europe. By contrast, the specialities business was relatively stable. The coronavirus crisis also led to delays in transactions. On a positive note, the supply chains stood up to the challenge posed by the coronavirus pandemic. It can therefore be assumed that the trading opportunities will improve in the second half of the year as the global economy recovers.

The development of the Global Produce business unit continues to be characterised by the below-average European apple harvest in the previous year and a very high price level. In May 2020, average prices in the EU were up 31% on the five-year average. Margins also benefited from this development. At the same time, demand for fruit – a healthy food – rose both in Germany and in BayWa's international markets during the lockdown. By building up stocks of tropical fruit before the coronavirus crisis, the subsidiary TFC Holland B.V. (TFC) was able to significantly increase its sales during the lockdown and sell its products at better margins. The German apple business benefited from continued good demand and a solid price trend. In New Zealand, apples saw high sales volumes at the start of the season in the southern hemisphere. This benefited the business unit's revenue and earnings development even though it was not possible to harvest, sort or pack class II apples due to a lack of seasonal workers.At the end of April, the acquisition of the fruit trader Freshmax New Zealand Ltd by Turners & Growers Fresh Ltd was completed, making a positive contribution to the half-year results. This development is expected to continue in the second half of the year and will be reflected in marketing volume, revenues and EBIT.

The Agri Trade & Service business unit was unable to match the good development seen in the first half of 2019. In the previous year, domestic products trading in the first half of the year benefited from a positive price trend. Furthermore, logistics costs increased on account of the coronavirus pandemic, leading to shrinking margins. In the agricultural input business, fertilizer sales volumes increased slightly year on year. Sales volumes of crop protection products were not quite on a par with the previous year. However, due to the decline in the crude oil price, prices fell sharply in the reporting period, especially for fertilizers, leading to pressure on margins. The mild winter also had a negative effect, as business involving road salt was virtually non-existent. What is more, the impact of the coronavirus crisis had a profoundly negative effect on the hops market, with global restrictions and lockdown phases aimed at containing the coronavirus pandemic leading to temporary closures of restaurants, bars and hotels, as well as the cancellation of major events until further notice. In April, these factors led to a roughly 17% decline in beer consumption compared to the same period in 2019 and to a drop in demand for hops. The seed business saw sales on a par with the previous year. Nonetheless, margins increased thanks to a good private brand strategy, shifts towards higher-margin product lines, a broad portfolio and higher demand for catch crops.

The Agricultural Equipment business unit benefited during the lockdown in the first half of 2020 from continued high demand for agricultural equipment and from high inventories. As a result, BayWa's ability to deliver products was ensured during the coronavirus-related closure of CLAAS and Fendt plants. Sales of new machinery were roughly 18% higher year on year. In the service business, capacity utilisation rose on account of increased demand for maintenance and services. A certain normalisation of business is anticipated for the Agricultural Equipment business unit in the second half of the year. However, the reduction of the value added tax rate might result in positive effects.

Building Materials Segment

Market and industry development

The German construction industry has so far weathered the coronavirus crisis better than many other sectors, as there have been very few construction site closures. It also benefited at the start of the calendar year from favourable weather conditions and high order backlog. At the start of 2020, revenues in the construction sector were expected to rise by 5.5%, or 1.5% adjusted for price changes. Beginning in mid-March, however, production was slowed in many sectors by delays in deliveries of materials and cancelled orders, as well as an increase in the number of sick days and stricter hygiene guidelines on account of the coronavirus pandemic. In nominal terms, revenues in the construction industry were up by 9.6% year on year between January and April. However, order intake fell following a significant increase in January and was a mere 0.1% higher than in the same period in 2019. In March, new orders declined by 4.2% year on year. According to an ifo Institute survey, commercial construction was likely the most affected by order cancellations and falling demand, having recorded a nominal decrease in revenues of 3% (H1/2019: plus 9%). By contrast, residential construction benefited from an extensive surplus of unfinished residential units, boosting revenues by 2.5% (H1/2019: plus 5.1%). At 110,600 units, the number of residential building permits issued was up by roughly 4.5% year on year in the first four months of 2020 (H1/2019: 105,800 units). The number of building permits for multi-family units saw a particularly sharp rise. At €135 billion, the Confederation of the German Construction Industry (HDB – Hauptverband der Deutschen Bauindustrie) expects total revenues in 2020 to be on a par with the previous year, corresponding to a price-adjusted decline of approximately 3% (2019: plus 1.8%). The number of employees will also remain stable at 870,000. Order backlog increased slightly year on year in the first quarter of 2020 in Austria as well. This positive development is expected to have continued in the second quarter.

Business performance

In € million	Revenues Q1–2/2020	Revenues Q1–2/2019	Revenues Change in %	EBIT Q1–2/2020	EBIT Q1–2/2019	EBIT Change in %
Building Materials Segment	**876.8**	775.3	13.1	**17.2**	7.0	> 100

The Building Materials Segment mainly comprises the Group's trading activities involving building materials in Germany and Austria. In the reporting period, the dry and mild spring months, as well as the continued high demand for housing led to an increase in sales across the product range. Thanks to its supply function for the construction industry, BayWa's building materials sites in Germany remained open throughout the lockdown. In Germany, the Group also saw increased demand from customer groups that switched to ordering BayWa products online due to the temporary closures of DIY and garden centres in some German states. The BayWa Group's DIY and garden centres in Austria were forced to close for roughly one month. However, the above-average demand after the reopening of the stores more than made up for the closure-related loss of revenues. Online trade activities benefited on the whole and increased in nearly all product ranges. Gardening and landscaping products benefited the most. The high demand was mainly the result of many people planning to spend their 2020 summer holidays in their own gardens or at home as a result of the coronavirus crisis, with DIY and gardening products particularly popular. Against this backdrop, earnings increased substantially in the first six months of the current financial year compared to the same period of last year. The brisk online sales are likely to continue in the second half of the year, and the reduction of the value added tax rate could provide additional incentives to buy.

Innovation & Digitalisation Segment

Market and industry development

Digital applications are now an integral part of agriculture in terms of assisting with everyday work. According to a recent study on behalf of the digital association Bitkom, the German Farmers' Association (Deutscher Bauernverband – DBV) and Landwirtschaftliche Rentenbank (Germany's development agency for agribusiness and rural areas), some 82% of German farmers are already using digital technologies or applications. Digitalisation in the farming industry largely comprises precision farming and smart farming. While precision farming focuses on the automation of agricultural processes, smart farming goes one step further by building on this technology with the aim of digitally connecting all aspects of farming operations, from the barn and field work to harvest marketing. Here, machines and systems often process information independently and make decisions with at least some degree of autonomy. In the process, satellites are playing an increasing role as sources of data. The combination of satellite data with plant growth models makes it possible to determine the yield potential of every field, estimate the economic benefits of working specific parts of fields and coming up with concrete recommendations for field operations. If this information is linked with the technology in the tractor and attached implement by way of relevant control software, farmers have the possibility of sowing or fertilizing specific parts of fields, for example. Greater use is being made of farm management systems to connect all these work steps, which not only make the related administrative tasks easier for farmers but also provide opportunities for analysis. Given the tougher requirements regarding documentation obligations and data protection as a result of new laws, such as the European General Data Protection Regulation, experts expect to see double-digit growth rates in the years ahead, particularly for software solutions concerning these issues.

Business performance

	Revenues			EBIT		
In € million	**Q1–2/2020**	Q1–2/2019	Change in %	**Q1–2/2020**	Q1–2/2019	Change in %
Innovation & Digitalisation Segment	**5.6**	5.0	12.0	**- 6.8**	- 6.5	- 4.6

The Innovation & Digitalisation Segment pools all activities of the BayWa Group in its Digital Farming and eBusiness areas. The segment's year-on-year rise in revenues in the reporting period is attributable to the continuous development of the product range, the international expansion of sales activities and new customer growth. Order intake was also up in spite of limited sales activities due to the coronavirus crisis. The positive development was primarily due to soil analysis business. In terms of the operating result, however, this growth is neutralised by investments, particularly in the development of digital farming solutions. At minus €6.8 million, the segment accordingly reported negative EBIT down slightly on the previous year in the reporting period.

Other Activities

EBIT resulting from Other Activities encompasses, in addition to earnings contributions from peripheral activities, a major part of the Group's administrative costs and consolidation effects and amounted to minus €34.9 million as at 30 June 2020 (H1/2019: minus €14.0 million). The higher negative earnings are attributable to hedging transactions for currency risks and restructuring expenses. In addition, the previous year's earnings benefited from one-off effects such as the sale of Kartoffel-Centrum Bayern GmbH for €3.7 million. Moreover, bank dividends and income from Group companies, which accounted for roughly €8 million in the previous year, did not materialise. In the current financial year, real estate transactions are largely scheduled for the second half of the year, whereas the segment benefited from real estate income in the first half of 2019. To a certain extent, a reduction in travel costs, a lower number of training events and the cancellation of major events more than made up for the additional costs incurred on account of the coronavirus crisis for projects such as IT enhancements and additional occupational health and safety measures.

Assets, Financial Position and Earnings Position of the BayWa Group

Asset position as at 30 June 2020

At the end of the first half of 2020, the BayWa Group had total assets of €8,863.8 million, corresponding to a slight decrease compared to the end of the financial year 2019 (€8,867.2 million). Non-current assets fell by €8.5 million compared to the end of the financial year 2019 to stand at €3,268.1 million. An increase in intangible assets (plus €11.0 million) and property, plant and equipment (plus €22.0 million) stood in contrast to a decrease in participating interests recognised at equity (minus €10.6 million) and other financial assets (minus €29.0 million). The BayWa Group's current assets stood at €5,592.9 million at the end of the first half of 2020 and were therefore up slightly on the value at the end of the financial year 2019 (€5,585.9 million). This development was due to the €49.3 million increase in financial assets to €199.6 million and the €30.8 million typical seasonal rise in current receivables and other assets to €1,875.6 million, which was offset by a €70.2 million decrease in cash and cash equivalents to €159.5 million.

The BayWa Group's equity decreased by €46.0 million, or 3.4%, from €1,358.6 million as at 31 December 2019 to €1,312.6 million as at 30 June 2020. The main factors behind this decline were the differences from currency translation recognised directly in equity, as well as impairments on the financial assets measured at fair value through other comprehensive income, derivative financial instruments and on the earnings components measured through other comprehensive income from interests accounted for using the equity method.

Non-current liabilities amounted to €3,140.0 million as at the end of the first half of 2020 and were therefore €8.5 million higher than they were as at the end of the financial year 2019 (€3,131.5 million). The rise resulted primarily from the €12.7 million increase in non-current liabilities to €1,313.8 million and the €6.6 million increase in other liabilities to €90.9 million.

Current liabilities increased by €34.1 million to €4,411.2 million compared to the end of the financial year 2019 (€4,377.1 million) due to contrasting developments: whereas current liabilities fell by €223.9 million to €2,089.7 million in the first half of 2020 following the repayment of a bonded loan in the amount of €75 million and a temporary decrease in the volume of commercial papers, trade payables rose by €239.0 million to €1,287.7 million due to seasonal factors, accompanied by a €12.2 million increase in financial liabilities to €133.5 million and an €8.2 million increase in other liabilities to €528.0 million.

Financial position in the first half of 2020

With a €1.5 million decrease in the net result for the period to €0.4 million, cash earnings fell year on year by €4.7 million to €147.2 million. The rise in inventory levels, trade receivables and other assets not attributable to investment and financing activities was more than offset in the first half of 2020 by the rise in trade payables and other liabilities not attributable to investment or financing activities. The cash flow from operating activities therefore stood at €232.3 million after the first six months of the financial year 2020. At €217.6 million, cash inflow from operating activities in the current reporting period was therefore €14.7 million higher year on year.

The BayWa Group's investment activity resulted in cash outflows of €81.3 million in the first six months of the financial year 2020, of which €16.0 million was attributable to the acquisition of Freshmax New Zealand Ltd, Auckland, New Zealand. The company was acquired within the scope of a share deal. Funds of €89.6 million were also used for the acquisition of intangible assets and property, plant and equipment. By contrast, cash inflows of €22.2 million resulted from the disposal of intangible assets and property, plant and equipment. The disposal of financial assets resulted in cash inflows of €1.6 million in the first half of the year, whereas the addition of financial investments led to cash outflows of €6.0 million.

Cash flow from financing activities amounted to minus €219.3 million and was attributable primarily to the repayment of financial liabilities. In 2019, cash flow from financing activities stood at minus €102.2 million.

Total cash and cash equivalents have decreased by €70.2 million since 31 December 2019 to €159.5 million due to the incoming and outgoing cash payments from operating, investment and financing activities.

Earnings position in the first half of 2020

The BayWa Group's revenues in the first half of the financial year 2020 came to €8,193.7 million, marking a year-on-year decrease of €216.9 million, or 2.6%. The Building Materials Segment saw the biggest gains of €101.5 million, or 13.1%. Revenues in the Energy Segment fell by €176.0 million. While the Renewable Energies business unit achieved an increase in revenues of €139.7 million, or 20.1%, revenues in the Conventional Energy business unit decreased by €315.7 million. The Agriculture Segment generated revenues of €5,553.8 million, down by 2.5% year on year. At €5.6 million, revenues in the Innovation & Digitalisation Segment were 12% higher year on year. The Other Activities Segment generated €6.7 million in the reporting period and was down slightly on the level seen in the same period in the previous year.

The BayWa Group's other operating income, at €139.4 million, was up significantly on the previous year's figure of €73.2 million. The increase of €66.2 million was primarily attributable to the execution and measurement of foreign currency transactions. Taking into account the €288.0 million increase in inventories and the virtually unchanged situation in other own work capitalised, the BayWa Group's overall performance increased year on year by €139.5 million, or 1.6%, to €8,809.6 million.

Despite a slight increase in the cost of materials of €2.0 million, gross profit improved by €137.5 million, or 15.4%, to €1,028.8 million. Personnel expenses climbed by €37.9 million to €562.2 million in the first half of 2020. The increase was due in particular to the higher number of new hires in the Agriculture and Energy Segments. At €106.6 million, depreciation and amortisation of property, plant and equipment and intangible assets was on a par with the previous year. Other operating expenses rose by €72.8 million, or 30.8%, to €309.3 million. In particular, the execution and measurement of foreign currency transactions – along with legal, consulting and auditing fees – contributed to the rise in other operating expenses.

These changes led to the result of operating activities increasing by €23.1 million to €50.7 million in the first half of 2020.

At €3.1 million, the result of participating interests was down year on year by €21.5 million. Income from participating interests recognised at equity fell by €8.6 million; other income from shareholdings fell by €12.9 million.

The BayWa Group's EBIT stood at €53.8 million in the first six months of the financial year 2020 and was €1.6 million, or 3.1%, higher year on year.

Net interest in the first half of 2020 fell by €3.6 million year on year to minus €53.2 million. Including tax expenses of €0.2 million, this resulted in net income for the first half of the financial year 2020 of €0.4 million, which corresponds to a decrease of €1.5 million year on year.

Employees

The BayWa Group recorded an increase in the number of employees in nearly all business units as at the end of the reporting period. As at the reporting date, the number of employees had increased by 1,186 people to 19,907. The most significant increases were seen in the Global Produce and Renewable Energies business units. In the Global Produce business unit, the number of employees rose to 3,662 on average for the first six months of 2020 and was therefore 646 higher year on year. In the Renewable Energies business unit, the number of employees rose by 496 to 2,174 people.

Outlook

The BayWa Group's business development is likely to continue picking up significantly in the second half of 2020, in particular due to the upcoming project sales in the Renewable Energies business unit. In the Agri Trade & Service business unit, the product trade can look forward to good harvest forecasts on the heels of a positive precipitation situation in recent weeks. Recovery effects could also materialise in the agricultural input business. In the international agricultural trade business, the handling volume of grain and oilseed is expected to increase compared to the first half of the year. The Building Materials Segment is expected to improve considerably in the second half of 2020 as is typical of the season. Moreover, the reduction of the value added tax rate could have a positive effect on some BayWa business units. A worsening of the coronavirus crisis or a second wave of the pandemic could negatively impact business development. However, BayWa's business model is relatively resistant to the crisis, thanks to the high share of essential activities, as demonstrated in the first half of the year.

The Energy Segment is poised for a significant jump in earnings in the second half of the year. The Renewable Energies business unit in particular is expected to contribute to this development, as global sales of projects with a total output of up to 1.2 gigawatts (GW) have been planned for the year as a whole. For most of the wind farms and solar parks intended for disposal, the sales process should be completed in the fourth quarter of 2020. The project pipeline consists of roughly 60% solar power projects and 40% wind power projects. The core regions in which the projects are slated to be built or sold are Europe, Asia and the US. The coronavirus pandemic is not expected to have a material impact on project business in the second half of the year either. At worst, the US could see a few delays in the progress of projects. Sales from trading in PV components in the second half of the year should also be able to match the strong development seen in the first six months of the current financial year. In addition, the German Bundestag abolished the 52 GW cap on public funding for solar capacity installation in mid-June 2020. As a result, the purchase of PV systems is once again backed by an increased sense of security that the investment will pay off, which is likely to offer additional incentives to buy.

In the Conventional Energy business unit, the growth momentum is likely to weaken in the second half of 2020, particularly in the heat energy carrier trade. End customers' tanks are probably well filled following the strong first half of the year, which mainly benefited from the development of the crude oil price. The lifting of physical distancing restrictions and lockdowns, and the associated normalisation of transport and travel activities, should help to raise demand for fuels in the second half of the year. However, sales are likely to be lower than in previous years. EBIT – adjusted for the earnings contribution accounted for by TESSOL, which was included in the previous year – is likely to be even higher than the high level seen in 2019.

In international trade involving grain and oilseed of the BayWa Agri Supply & Trade (BAST) business unit, trading opportunities in the first half of 2020 were characterised by stagnating prices and increased uncertainty on the markets. The fears that supply chains could collapse or that deliveries could be significantly delayed have, for the most part, not materialised in agricultural trade. It can therefore be assumed that the agricultural commodity markets will recover or normalise in the second half of the year. Moreover, export and marketing activities in southern Europe are expected to increase, as grain trading was significantly inhibited in these regions in particular on account of the coronavirus. Specialities trading could also benefit from recovery effects since some transactions have been postponed as a result of the coronavirus pandemic. However, the uncertainties on commodity markets in connection with the trade dispute between the US and China are likely to continue.

The Agri Trade & Service business unit fell short of expectations in the first half of 2020 due to weather conditions and the modest trading opportunities. A more positive trend is beginning to emerge for the second half of the year: the forecast harvest volumes are likely to favour BayWa's core regions in Germany and Austria in particular. As in the previous year, a marked difference in precipitation and soil conditions between the north and the south of Germany exists. This could lead to more substantial differences in grain harvest quality that could benefit the Agri Trade & Service business unit's domestic product trading activities. Demand for agricultural inputs is likely to rise, especially as fertilizer prices are at a historically low level. It can therefore be assumed that farmers will stock up. However, the further tightening of the German Fertiliser Application Ordinance (DüV) could have the opposite effect.

In the Global Produce business unit, the fruit business in Germany could benefit from the upcoming pome fruit harvest. Whereas harvest volumes in Europe were slightly below average last year, an at least average harvest appears likely should the normal weather conditions continue. The lack of remaining volume from the 2019 harvest should result in good marketing opportunities for traders. The EBIT contribution from international activities is likely to surpass the previous year's figure, as a majority of the income from the promising marketing season of apples from abroad is generated in the subsequent quarters. The acquisition of the fruit business of Freshmax New Zealand Ltd, Auckland, New Zealand, should result in additional growth. Freshmax has been consolidated since 30 April 2020 and will contribute to Global Produce's revenues and earnings for the first time in the entire second half of the year. Moreover, it has been possible to achieve cost savings that are also having a positive effect on the business unit's total earnings.

The positive trend in the Agricultural Equipment business unit should continue in the second half of 2020, but not at the level seen in the very strong first half of the year. Demand for agricultural machinery is expected to normalise, especially within Germany, after BayWa was able to benefit from higher sales of existing inventories in the first half of the year. Service business should continue seeing stable development. However, the reduction of the value added tax rate could provide additional incentive to buy, especially among farmers, who are subject to flat-rate taxation. The positive earnings expectations in this business unit are based on a relatively stable development of cash and cash equivalents among farmers over the course of the year to date and on an improved harvest outlook compared to the start of the calendar year.

In the Building Materials Segment, the growth momentum is likely to pick up in the second half of 2020. High order backlog at the sector companies executing the orders and continued stable construction activity point to strong demand for building materials. Moreover, as a result of the coronavirus crisis, people are increasingly investing their savings in home renovation projects rather than travel, which is leading to increased demand on the part of private households. The ongoing low-interest rates, the reduction in the value added tax rate and the sustained high demand for housing should continue to boost the building materials trade in the second half of the year. In addition, BayWa Projekt GmbH will sell its first residential units in the second half of the year.

The activities in the Innovation & Digitalisation Segment are mainly based on investments and development costs for future digital product and service offerings. Against this backdrop, negative EBIT on a par with the previous year can be expected, as planned.

For the Other Activities, positive and negative effects can be expected. Planned real estate sales and bank dividends should have a positive impact on earnings. However, there continues to be some uncertainty as to the inflow of bank dividends, as the European Central Bank (ECB) has asked banks to forgo dividends and share buybacks until at least January 2021. Because the further development of the coronavirus crisis remains difficult to predict, additional expenses for the occupational health and safety of BayWa employees cannot be ruled out. Such expenses would accordingly have a negative impact on earnings in Other Activities.

Overall, the BayWa Group's business development is set to pick up significantly in the second half of 2020. This optimistic expectation is due in particular to the pending project sales in the Renewable Energies business unit as well as to the supply contract that most of the BayWa Group's business units work to fulfil. For 2020 as a whole, the BayWa Group is expected to generate EBIT that is at least on a par with the level seen in the previous year.

Please note: The statements and figures forecast in this document are based on assumptions and are subject to unforeseeable risk. In as much as the assumptions of the company should prove to be inaccurate, or should other unforeseeable risks occur, the possibility of the actual assets, financial position and earnings position of the Group diverging negatively from the forecast target figures cited in this report should not be discounted.

Condensed Interim Consolidated Financial Statements of BayWa AG as at 30 June 2020

Consolidated Balance Sheet

Assets

In € million		30/06/2020	31/12/2019
Non-current assets			
Intangible assets		414.7	403.7
Property, plant and equipment		2,088.3	2,066.3
Participating interests recognised at equity		197.4	208.0
Other financial assets		189.3	218.3
Investment property		50.7	46.7
Income tax claims		0.0	0.0
Other receivables and other assets		30.4	35.9
Deferred tax assets		297.3	297.7
		3,268.1	**3,276.6**
Current assets			
Securities		1.2	1.3
Inventories		3,271.6	3,286.4
Biological assets		8.0	13.6
Income tax claims		77.4	59.8
Financial assets		199.6	150.3
Other receivables and other assets		1,875.6	1,844.8
Cash and cash equivalents		159.5	229.7
		5,592.9	**5,585.9**
Non-current assets held for sale/disposal groups		**2.8**	**4.7**
Total assets		**8,863.8**	**8,867.2**

Shareholders' equity and liabilities

In € million		30/06/2020	31/12/2019
Equity			
Subscribed capital		90.3	90.3
Capitel reserve		118.2	118.2
Hybrid capital		296.3	296.3
Revenue reserves		467.7	471.9
Other reserves		17.7	47.1
Equity net of minority interest		**990.2**	**1,023.8**
Minority interest		322.4	334.8
		1,312.6	**1,358.6**
Non-current liabilities			
Pension provisions		726.5	735.5
Other non-current provisions		59.6	59.5
Financial liabilities		1,313.8	1,301.1
Financial lease obligations		711.7	706.5
Trade payables and liabilities from inter-group business relationships		5.8	7.2
Income tax liabilities		0.0	0.0
Financial liabilities		16.3	8.3
Other liabilities		90.9	84.3
Deferred tax liabilities		215.4	229.1
		3,140.0	**3,131.5**
Current liabilities			
Pension provisions		30.5	31.0
Other current provisions		259.4	258.4
Financial liabilities		2,089.7	2,313.6
Financial lease obligations		61.8	68.2
Trade payables and liabilities from inter-group business relationships		1,287.7	1,048.7
Income tax liabilities		20.6	16.1
Financial liabilities		133.5	121.3
Other liabilities		528.0	519.8
		4,411.2	**4,377.1**
Liabilities from non-current assets held for sale/disposal groups		–	–
Total shareholders' equity and liabilities		**8,863.8**	**8,867.2**

Consolidated Income Statement

Continued operations

In € million		**Q1–2/2020**	Q1–2/2019
Revenues		**8,193.7**	**8,410.6**
Inventory changes		469.1	181.1
Other own work capitalised		7.4	5.2
Other operating income		139.4	73.2
Cost of materials		- 7,780.8	- 7,778.8
Gross profit		**1,028.8**	**891.3**
Personnel expenses		- 562.2	- 524.3
Depreciation and amortisation		- 106.6	- 102.9
Other operating expenses		- 309.3	- 236.5
Result of operating activities		**50.7**	**27.6**
Income from participating interests recognised at equity		- 1.9	6.7
Other income from shareholdings		5.0	17.9
Interest income		5.3	6.4
Interest expenses		- 58.5	- 56.0
Financial result		**- 50.1**	**- 24.9**
Earnings before tax (EBT)		**0.6**	**2.6**
Income tax		- 0.2	- 0.7
Net income/loss for the period		**0.4**	**1.9**
thereof: profit share of minority interest		13.0	10.9
thereof: due to shareholders of the parent company		- 12.6	- 9.0
EBIT		**53.8**	**52.2**
EBITDA		**160.4**	**155.1**
Basic earnings per share (in €) [1]		**- 0.54**	**- 0.44**
Diluted earnings per share (in €) [1]		**- 0.54**	**- 0.44**

1 Previous year's figure corrected in accordance with IAS 8.49 a) – for more information, see Note D.10 of the Consolidated Financial Statements 2019, p. 137.

Consolidated Income Statement by Quarter

Continued operations

In € million	Q1/2020	Q2/2020	Q1/2019	Q2/2019
Revenues	**3,870.1**	**4,323.6**	**4,079.6**	**4,331.0**
Inventory changes	225.3	243.8	88.5	92.6
Other own work capitalised	2.6	4.8	1.0	4.2
Other operating income	118.7	20.7	39.8	33.4
Cost of Materials	- 3,734.3	- 4,046.5	- 3,808.6	- 3,970.2
Gross profit	**482.4**	**546.4**	**400.3**	**491.0**
Personnel expenses	- 271.5	- 290.7	- 253.4	- 270.9
Depreciation and amortisation	- 52.9	- 53.7	- 55.0	- 47.9
Other operating expenses	- 185.7	- 123.6	- 115.5	- 121.0
Result of operating activities	**- 27.6**	**78.3**	**- 23.6**	**51.2**
Income from participating interests recognised at equity	- 1.4	- 0.5	1.8	4.9
Other income from shareholdings	1.2	3.8	8.0	9.9
Interest income	2.6	2.7	3.6	2.8
Interest expenses	- 27.3	- 31.2	- 27.7	- 28.3
Financial result	**- 24.9**	**- 25.2**	**- 14.3**	**- 10.6**
Earnings before tax (EBT)	**- 52.5**	**53.1**	**- 37.9**	**40.5**
Income tax	13.0	- 13.2	- 0.9	0.2
Net income/loss for the period	**- 39.5**	**39.9**	**- 38.8**	**40.7**
thereof: profit share of minority interest	0.1	12.9	- 0.8	11.7
thereof: due to shareholders of the parent company	- 39.6	27.0	- 38.1	29.1
EBIT	**- 27.8**	**81.6**	**- 13.8**	**66.0**
EBITDA	**25.1**	**135.3**	**41.2**	**113.9**

Consolidated Statement of Comprehensive Income – Transition

In € million	**Q1–2/2020**	Q1–2/2019
Net income/loss for the period	**0.4**	**1.9**
Reclassification of the initial application effect of IFRS 16	n/a	4.5
Reclassification from other income to revenue reserves at the start of the period due to the transition to IFRS 9	0.0	0.0
Net gain/loss from the revaluation of financial assets in the “at fair value through other comprehensive income” category (known as the fair value OCI option) recognised in the reporting period	- 19.2	- 4.1
Actuarial gains/losses from pension obligations and provisions for severance pay recognised in the reporting period	0.0	0.0
Sum of items not subsequently reclassified in the income statement	**- 19.2**	**0.3**
Other income from interests accounted for using the equity method recognised in the reporting period	0.0	0.0
Reclassifications to the income statement due to disposal of participating interests accounted for using the equity method in the reporting period	0.0	0.0
Net gain/loss from hedging instruments with a clear hedging relationship recognised in the reporting period	- 10.2	0.0
Reclassifications of net gain/loss from hedging instruments with a clear hedging relationship in the income statement in the reporting period	- 0.1	0.8
Differences from currency translation in the reporting period	- 14.9	1.9
Reclassifications of differences from currency translation in the income statement in the reporting period	- 0.1	0.1
Cash flow hedges	21.8	3.2
Sum of items subsequently reclassified in the income statement	**- 3.4**	**6.0**
Gains and losses recognised directly in equity	**- 22.6**	**6.3**
thereof: due to minority interest	- 14.0	- 1.7
thereof: due to shareholders of the parent company	- 8.5	8.0
Consolidated total result for the period	**- 22.2**	**8.2**
thereof: due to minority interest	- 1.1	9.2
thereof: due to shareholders of the parent company	- 21.1	- 1.0

Condensed Consolidated Cash Flow Statement

In € million	Q1–2/2020	Q1–2/2019
Cash earnings	**147.2**	**151.9**
Cash flow from operating activities	232.3	217.6
Cash flow from investment activities	- 81.3	- 102.7
Cash flow from financing activities	- 219.3	- 102.2
Cash-effective changes in cash and cash equivalents	**- 68.3**	**12.7**
Cash and cash equivalents at the start of the period	229.7	120.6
Inflow/outflow of funds due to changes in the group of consolidated companies and in exchange rates	- 2.0	0.1
Cash and cash equivalents at the end of the period	**159.5**	**133.4**

Condensed Consolidated Statement of Changes in Equity

In € million	Subscribed capital	Capital reserve
As at 01/01/2020	**90.3**	**118.2**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	–	–
Change in the financial assets measured at fair value through other comprehensive income (fair value OCI option) and derivative financial instruments as well as other income from interests accounted for using the equity method	–	–
Change in actuarial gains/losses from pension and severance pay obligations	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Cash flow hedges	–	–
Hybrid capital dividends	–	–
Transfer to/withdrawal from revenue reserve	–	–
Net income/loss for the period 01/01 – 30/06/2020	–	–
As at 30/06/2020	**90.3**	**118.2**
As at 31/12/2018	**89.9**	**114.8**
Effects of the application of IFRS 16	–	–
As at 01/01/2019	**89.9**	**114.8**
Differences resulting from changes in the group of consolidated companies	–	–
Capital increase against cash contribution/share-based payments	–	–
Change in the financial assets measured at fair value through other comprehensive income (fair value OCI option) and derivative financial instruments as well as other income from interests accounted for using the equity method	–	–
Change in actuarial gains/losses from pension and severance pay obligations	–	–
Dividend distribution	–	–
Differences from currency translation	–	–
Cash flow hedges	–	–
Hybrid capital dividends	–	–
Transfer to/withdrawal from revenue reserve	–	–
Net income/loss for the period 01/01 – 30/06/2019	–	–
As at 30/06/2019	**89.9**	**114.8**

Hybrid capital	Valuation reserve	Other revenue reserves	Other reserves	Equity net of minority interest	Minority interest	Equity
296.3	**18.6**	**453.3**	**47.1**	**1,023.8**	**334.8**	**1,358.6**
–	–	- 10.1	- 2.4	- 12.4	- 6.1	- 18.5
–	–	–	–	–	0.0	0.0
–	- 19.0	–	–	- 19.0	- 10.4	- 29.4
–	–	- 0.0	–	- 0.0	- 0.0	- 0.0
–	–	–	–	–	- 5.3	- 5.3
–	–	–	- 11.4	- 11.4	- 3.6	- 15.0
–	21.8	–	–	21.8	–	21.8
–	–	–	–	–	–	–
–	–	3.1	- 3.1	0.0	0.0	0.0
–	–	–	- 12.6	- 12.6	13.0	0.4
296.3	**21.4**	**446.3**	**17.7**	**990.2**	**322.4**	**1,312.6**
296.3	**14.4**	**522.0**	**49.4**	**1,086.8**	**302.3**	**1,389.1**
–	–	4.5	–	4.5	–	4.5
296.3	**14.4**	**526.5**	**49.4**	**1,091.3**	**302.3**	**1,393.6**
–	–	5.8	- 6.7	- 0.9	- 3.6	- 4.5
–	–	–	–	–	–	–
–	- 1.3	–	–	- 1.3	- 2.0	- 3.3
–	–	- 0.0	–	- 0.0	- 0.0	- 0.0
–	–	–	- 31.5	- 31.5	- 10.0	- 41.5
–	–	–	1.7	1.7	0.3	1.9
–	3.2	–	–	3.2	–	3.2
–	–	–	–	–	–	–
–	–	6.8	- 6.8	0.0	0.0	0.0
–	–	–	- 9.0	- 9.0	10.9	1.9
296.3	**16.3**	**539.0**	**- 2.9**	**1,053.5**	**297.9**	**1,351.4**

Selected Explanatory Notes to the Consolidated Financial Statements

Accounting policies and valuation methods

This Interim Report of the BayWa Group as at 30 June 2020 was drawn up in compliance with the International Financial Reporting Standards (IFRS) as applicable within the European Union. In accordance with IAS 34, the interim consolidated financial statements are published in a condensed form compared to the annual consolidated financial statements and are therefore to be read together with the BayWa AG Consolidated Financial Statements for the financial year 2019. All new or amended IFRS and interpretations by the IFRS Interpretations Committee that were applicable for the BayWa Group for the first time as at 1 January 2020 were observed. For pre-existing or unamended IFRS, the accounting, measurement, consolidation and disclosure principles, with the exception of the changes listed below, comply with those that were applied when preparing the consolidated financial statements as at 31 December 2019. In this regard, reference is made to the consolidated financial statements of BayWa AG as at 31 December 2019. BayWa's reporting currency is the euro.

Changes and amendments to IFRS 9/IAS 39/IFRS 7, the Conceptual Framework, IAS 1 and IAS 8, as well as IFRS 3, have been applicable since the start of the financial year 2020. These have not had any significant negative effects on the BayWa Group.

Assumptions and estimates

In as much as assumptions and estimates were made in the context of reporting, they have remained unchanged as to the methodology used during the financial year and between financial years. There are no reportable changes which have had a material impact on the current reporting period.

Seasonal and economic influences on business activity

Seasonal influences typical to the business have an impact on almost all the core activities of the Group. Over the year, these lead to fluctuations in revenues and profit which partly offset one another. In the Agriculture Segment, the main activities take place in the first three quarters of the financial year, with the focus on the second quarter. The Conventional Energy business unit is impacted more by economic influences which cause fluctuations in business. The price trend exerts a major impact on consumer behaviour and therefore on the development of the business unit's revenues. The backlog in demand subsequently evens out over a number of years. The Renewable Energies business unit is subject to fluctuations depending on project sales. Business development may also be impacted by political factors as a result of changes in promotion measures. In the Building Materials Segment, business picks up after the first quarter and slows in the fourth quarter due to the weather.

Changes in the group of consolidated companies

Along with BayWa AG, the consolidated financial statements include all major companies over which it can exercise direct or indirect control via subsidiaries. The group of consolidated companies changed as follows in the first half of 2020:

In %	Share in capital	Previous year's share in capital	Comment
Affiliated companies so far not included in the consolidated financial statements for reasons of materiality			
BaSE Renewables Sdn Bhd, Kuala Lumpur, Malaysia	100.0	100.0	Initial consolidation on 01/01/2020
BaSE Solar Sdn. Bhd., Kuala Lumpur, Malaysia	70.0	70.0	Initial consolidation on 01/01/2020
BayWa Bau Projekt GmbH, Munich, Germany	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Operation Services Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
BayWa r.e. Solar Systems Corporation, Makati, Republic of the Philippines	99.9	99.9	Initial consolidation on 01/01/2020
BayWa re (Malaysia) Sdn. Bhd., Kuala Lumpur, Malaysia	100.0	100.0	Initial consolidation on 01/01/2020
Bendigo Solar Farm HoldCo Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
Bendigo Solar Farm Pty Ltd, Richmond, Australia	100.0	100.0	Initial consolidation on 01/01/2020
BRE/GE Solar Developments Limited, Edinburgh, UK	51.0	51.0	Initial consolidation on 01/01/2020
Brüderl Projekt GmbH & Co. KG, Traunreut, Germany	51.0	51.0	Initial consolidation on 01/01/2020
Corriegarth 2 Windfarm Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Energía Diodos, S.L.U., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2020
G. Stranzinger Bauprojekt GmbH & Co. KG, Tann, Germany	60.0	60.0	Initial consolidation on 01/01/2020
Perinnpitt Road Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Rag Lane Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Robert Decker Wohnbau München GmbH & Co. KG, Grünwald, Germany	51.0	51.0	Initial consolidation on 01/01/2020
Rownal Farm Solar Limited, London, UK	100.0	100.0	Initial consolidation on 01/01/2020
Watt Development Solar 1, S.L.U., Barcelona, Spain	100.0	100.0	Initial consolidation on 01/01/2020
Wohnen am Lerchenberg GmbH & Co. KG, Borna, Germany	60.0	60.0	Initial consolidation on 01/01/2020
Zonnepark PV12 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV14 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV3 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark PV4 B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Zonnepark Weperpolder B.V., Heerenveen, Netherlands	100.0	100.0	Initial consolidation on 01/01/2020
Acquired companies included in the consolidated financial statements for the first time owing to attainment of control			
Airies 2 Windfarm Limited, Edinburgh, UK	100.0	–	Company established Initial consolidation on 03/03/2020
Dalquhandy Wind Farm Limited, Edinburgh, UK	100.0	–	Acquisition Initial consolidation on 15/05/2020
Freshmax New Zealand Ltd, Auckland, New Zealand	100.0	–	Acquisition Initial consolidation on 30/04/2020
Little Gala Windfarm Limited, Edinburgh, UK	100.0	–	Company established Initial consolidation on 03/03/2020
Companies no longer included in the consolidated financial statements owing to liquidation			
BayWa r.e. Solar Energy Systems International Cooperations GmbH, Tübingen, Germany	–	100.0	In liquidation
BayWa Rus LLC, Moscow, Russia	–	100.0	In liquidation
Ruschberg Infrastruktur GmbH & Co. KG, Gräfelfing, Germany	–	100.0	In liquidation
Companies no longer included in the consolidated financial statements owing to loss of control			
BayWa Ökoenergie GmbH, Munich, Germany	–	100.0	Sold on 30/06/2020
Bishopthorpe (Holdings) Limited, London, UK	–	100.0	Liquidated on 28/01/2020
Sun Energy No.1 G.K., Tokyo, Japan	–	100.0	Sold on 21/01/2020
Zonnepark PV1 B.V., Heerenveen, Netherlands	–	100.0	Sold on 31/03/2020
Zonnepark PV3 B.V., Heerenveen, Netherlands	–	100.0	Sold on 30/06/2020
Zonnepark PV7 B.V., Heerenveen, Netherlands	–	100.0	Sold on 31/03/2020

Additions to the group of consolidated companies in the first half of 2020

Addition: Freshmax New Zealand Ltd, Auckland, New Zealand
BayWa AG, Munich, Germany, took over 100% of the shares in Freshmax New Zealand Ltd, Auckland, New Zealand, through Group company Turners & Growers Fresh Ltd, Auckland, New Zealand, by way of a share deal. The purpose of the acquisition is to expand domestic business as well as the Group's supply chain. Turners & Growers Fresh Ltd has had a controlling influence since 30 April 2020. The initial consolidation of the company therefore took place on this date within the scope of full consolidation. The preliminary cost of the acquisition amounted to €16.0 million. No purchase price allocation was available at the point at which these interim consolidated financial statements were prepared.

The other acquisitions presented in the table, Dalquhandy Wind Farm Limited, Edinburgh, UK, and Little Gala Windfarm Limited, Edinburgh, UK, are project companies in the Renewable Energies business unit for which no purchase price allocation has been prepared.

Disposals from the group of consolidated companies

The total effect of the loss of control resulting from the disclosed sales on the consolidated financial statements is as follows (preliminary figures):

Assets and liabilities derecognised owing to loss of control

In € million	
Assets	
Property, plant and equipment and intangible assets	0.2
Financial assets	0.0
Other non-current assets	0.0
Inventories	58.4
Receivables and other assets	15.3
Cash and cash equivalents	1.0
	74.9
Shareholders' equity and liabilities	
Non-current provisions	0.6
Non-current financial liabilities	0.0
Non-current trade payables and other liabilities	0.0
Current provisions	0.5
Current financial liabilities	34.2
Current trade payables and other liabilities	39.4
	74.7
Net assets on the disposal date	**0.2**

Gains/losses from the disposal of Group companies

In € million	
Consideration received in the form of cash and cash equivalents for the sold shares	6.0
Less net assets relinquished on the disposal date	- 0.2
Disposal result	**5.8**

In the case of project companies in the Renewable Energies business unit, disposals are disclosed in the income statement under revenues and changes in inventories, while tax components are disclosed under tax expenses, as the disposal of these companies following the completion of the corresponding asset is the primary component of operating activities.

Incoming net cash and cash equivalents from the disposal of Group companies

In € million	
Purchase price settled through cash and cash equivalents	6.0
Less cash and cash equivalents paid out in connection with the disposal	- 1.0
	5.0

As at 30 June 2020, a total of 362 companies were included in the consolidated financial statements in accordance with the standards applicable to full consolidation; as at 31 December 2019, 343 companies were included in the consolidated financial statements. In addition, and as at 31 December 2019, 26 associated companies and joint ventures were included in the consolidated financial statements in accordance with the equity method set out under IAS 28.

Financial instruments

The financial assets and liabilities measured at fair value assigned to the three levels of the fair value hierarchy as at the reporting date, 30 June 2020, are as follows:

In € million	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative financial instruments and commodity forwards, including derivatives designated as hedging instruments for cash flow hedge accounting	53.5	146.1	–	199.6
Shareholdings in affiliated companies		16.6		16.6
Securities and investments	25.1	44.0	–	69.1
Financial assets at fair value without effect on income				
Securities (OCI option)	60.8	–	–	60.8
Sum total of financial assets	**139.4**	**206.7**	**–**	**346.2**
Financial liabilities measured at fair value				
Derivative financial instruments and commodity forwards, including derivatives designated as hedging instruments for cash flow hedge accounting	60.7	89.1	–	149.8
Sum total of financial liabilities	**60.7**	**89.1**	**–**	**149.8**

Level 1: Prices are identical to those quoted in active markets for identical assets or liabilities.

Level 2: Input factors which are not synonymous with the prices assumed at Level 1 but which can be observed either directly (i.e. as prices) or indirectly (i.e. derived from prices) for the respective asset or liability.

Level 3: Factors not based on observable market data for the measurement of the asset or a liability (non-observable input factors).

Bonds/equity instruments

The bonded loan of €75.0 million due on 18 June 2020 was repaid in full as at this date. No issues, neither for bonded loans nor for other equity instruments, took place in the first half of 2020.

Appropriation of 2019 retained earnings

On 28 July 2020, the Annual General Meeting approved the following appropriation of BayWa AG's unappropriated retained earnings in the financial year 2019:

In €	
Dividend of €0.95 per dividend-bearing share	33,381,240.60

The dividend was paid on 31 July 2020. The amount distributed to the shareholders was reduced by the portion of the treasury shares owned by BayWa AG at the time when the resolution and profit appropriation was made, as these shares are not entitled to dividends pursuant to Section 71b German Stock Corporation Act (AktG). This portion was transferred to other revenue reserves.

Earnings per share

Basic earnings per share (EPS) are calculated by dividing the profit for the period attributable to shares (net of minority interest) by the average number of shares. So-called potential shares (above all share options and convertible bonds), which can dilute earnings per share, were not issued, which means that diluted and basic earnings per share are the same.

Transactions and events to be reported

Interim reporting must contain information on transactions and events which affect the assets, liabilities, equity, result for the period under review or the cash flow, and which, due to their type, scope or frequency, are unusual. In the period under review, there were no matters requiring reporting. In respect of effects from the acquisition and disposal of companies, reference is made to the explanations above. The BayWa Group did not report any significantly negative effects of the coronavirus lockdown as at the end of the first half of the year. The Group will keep a close eye as the situation develops over the course of the year and analyse any potential future effects and their implications on the balance sheet.

Tax computation

Tax computation is carried out by using the weighted average annual income tax rate for each separate region. The deferred tax assets include tax-reducing claims which arise from the expected utilisation of loss carryforwards in the periods ahead, the realisation of which is assured with sufficient probability.

Contingent liabilities and contingent receivables

There were no contingent receivables as at 30 June 2020. There were no major changes in contingent liabilities as against 31 December 2019.

Cash flow statement

The cash flow statement has been drawn up pursuant to IAS 7 by applying the indirect method, and broken down into cash flows from operating, investing and financing activities.

Other transactions and events to be reported after the reporting date

Since the reporting date, 30 June 2020, there have been no transactions or events to be reported that have had a material effect on the assets, financial position and earnings position of the BayWa Group.

Audit of the Interim Report

The Interim Report was not subject to any audit review.

Segment report

The business activities of the Renewable Energies and Conventional Energy business units are pooled in the Energy Segment. The Agriculture Segment is divided into four business units: BayWa Agri Supply & Trade (BAST), Global Produce, Agri Trade & Service and Agricultural Equipment, covering the entire value chain from field to product marketing. The Building Materials Segment sells building materials for construction and civil engineering. This segment also comprises the retail activities of Austrian Group companies. BayWa has plotted a clear course into the digital future by establishing the Innovation & Digitalisation Segment; it is responsible for Digital Farming activities and also houses the BayWa Group's online sales under the BayWa Portal. Aside from peripheral activities, the Other Activities Segment mainly encompasses BayWa Group's real estate operations. The transition primarily includes amortisation of the hidden reserves and intangible assets revealed in purchase price allocations in previous years.

Condensed segment information by business unit (income statement) for the first half of 2020

In € million **Q1–2/2020**	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Revenues generated through business with third parties	**835.8**	**915.0**	**1,750.8**	**2,238.7**	**451.2**
Intra-segment revenues	111.1	77.0	188.1	390.2	37.7
Inter-segment revenues	0.3	3.1	3.4	10.1	–
Total revenues	**947.2**	**995.1**	**1,942.3**	**2,639.0**	**488.9**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**15.0**	**23.9**	**38.9**	**13.4**	**31.3**
Depreciation and amortisation	- 16.3	- 5.9	- 22.2	- 4.8	- 13.1
Earnings before interest and tax (EBIT)	**- 1.3**	**18.0**	**16.7**	**8.6**	**18.2**
Earnings before tax (EBT)	**- 28.6**	**18.2**	**- 10.4**	**3.7**	**13.6**
Income tax					
Net income/loss for the period					

Condensed segment information by business unit (income statement) for the first half of 2019[1]

In € million Q1–2/2019	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Revenues generated through business with third parties	**696.1**	**1,230.7**	**1,926.8**	**2,564.0**	**397.7**
Intra-segment revenues	49.3	126.8	176.1	371.3	33.3
Inter-segment revenues	1.0	3.1	4.1	17.8	–
Total revenues	**746.4**	**1,360.6**	**2,117.0**	**2,953.1**	**431.0**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**14.9**	**17.3**	**32.3**	**13.1**	**21.7**
Depreciation and amortisation	- 14.4	- 5.7	- 20.2	- 4.8	- 11.8
Earnings before interest and tax (EBIT)	**0.5**	**11.6**	**12.1**	**8.4**	**10.0**
Earnings before tax (EBT)	**- 19.6**	**11.5**	**- 8.1**	**1.5**	**5.4**
Income tax					
Net income/loss for the period					

1 The presentation of the segments and business units has been adjusted for easier comparison with the order for 2020.

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities**	Transition	**Group**
	1,987.0	**876.9**	**5,553.8**	**876.8**	**5.6**	**6.7**	**–**	**8,193.7**
	180.9	19.8	628.6	22.0	0.2	30.4	–	869.3
	20.3	1.0	31.4	0.2	–	3.2	–	38.2
	2,188.2	**897.7**	**6,213.8**	**899.0**	**5.8**	**40.4**	**–**	**9,101.3**
	38.0	**26.3**	**109.0**	**30.7**	**- 4.4**	**-13.8**	**–**	**160.4**
	- 19.1	- 10.4	- 47.4	- 13.5	- 2.4	- 16.4	- 4.7	- 106.6
	18.9	**15.9**	**61.6**	**17.2**	**- 6.8**	**- 30.2**	**- 4.7**	**53.8**
	9.0	**9.3**	**35.6**	**10.9**	**- 6.9**	**- 23.9**	**- 4.7**	**0.6**
								- 0.2
								0.4

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities**	Transition	**Group**
	1,936.2	**798.4**	**5,696.3**	**775.3**	**5.0**	**7.2**	**–**	**8,410.6**
	164.3	22.2	591.1	30.9	0.1	27.1	–	825.4
	41.5	0.6	59.9	0.3	0.2	3.2	–	67.7
	2,142.1	**821.2**	**6,347.4**	**806.5**	**5.3**	**37.5**	**–**	**9,303.6**
	42.1	**20.7**	**97.6**	**17.6**	**- 4.7**	**12.5**	**- 0.2**	**155.1**
	- 17.6	- 9.9	- 44.0	- 10.6	- 1.8	- 20.8	- 5.9	- 102.9
	24.5	**10.8**	**53.6**	**7.0**	**- 6.5**	**- 7.9**	**- 6.1**	**52.2**
	14.7	**4.4**	**26.0**	**1.0**	**- 6.6**	**- 3.6**	**- 6.1**	**2.6**
								- 0.7
								1.9

Condensed segment information by business unit (balance sheet)

In € million **30/06/2020**	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Assets	6,033.3	249.3	6,282.6	1,088.0	1,008.0
thereof: participating interests recognised at equity	0.1	–	0.1	3.2	19.2
thereof: non-current assets held for sale	–	–	–	–	–
Inventories	1,569.7	49.3	1,619.0	299.5	103.8
thereof: non-current assets held for sale	–	–	–	–	–
Liabilities	5,039.0	226.0	5,265.0	755.7	475.0
thereof: liabilities from non-current assets held for sale/disposal groups	–	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	28.3	8.9	37.2	51.7	2.6
Employees (annual average)	2,174	989	3,163	478	3,662

Condensed segment information by business unit (balance sheet) [1]

In € million 31/12/2019	Renewable Energies	Conventional Energy	**Energy**	BAST	Global Produce
Assets	5,498.3	258.5	5,756.8	1,520.0	897.4
thereof: participating interests recognised at equity	0.1	–	0.1	3.0	22.3
thereof: non-current assets held for sale	–	–	–	–	–
Inventories	1,253.7	50.7	1,304.4	531.1	24.1
thereof: non-current assets held for sale	–	–	–	–	–
Liabilities	4,485.7	205.6	4,691.3	1,181.7	353.4
thereof: liabilities from non-current assets held for sale/disposal groups	–	–	–	–	–
Investments in intangible assets, property, plant and equipment and investment property (including company acquisitions)	145.9	24.1	170.0	28.7	41.8
Employees (annual average)	1,826	986	2,812	487	2,788

1 The presentation of the segments and business units has been adjusted for easier comparison with the order for 2020.

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities**	Transition	**Group**
	1,360.5	1,004.5	4,461.0	835.8	82.5	5,107.1	- 7,905.2	8,863.8
	18.9	11.7	53.0	0.0	–	144.2	–	197.4
	–	–	–	–	–	2.8	–	2.8
	428.4	605.7	1,437.4	215.1	1.8	1.2	- 2.9	3,271.6
	–	–	–	–	–	–	–	–
	1,230.1	1,107.1	3,567.9	805.7	56.7	3,354.4	- 5,498.5	7,551.2
	–	–	–	–	–	–	–	–
	11.2	13.6	79.1	35.4	3.0	5.6	–	160.3
	3,516	3,812	11,468	4,464	222	899	–	20,216

	Agri Trade & Service	Agricultural Equipment	**Agriculture**	**Building Materials**	**Innovation & Digitalisation**	**Other Activities**	Transition	**Group**
	1,511.0	924.1	4,852.5	745.3	77.0	5,106.7	- 7,671.1	8,867.2
	18.5	17.3	61.2	0.0	–	146.7	–	208.0
	–	0.2	0.2	–	–	4.4	–	4.7
	737.2	510.2	1,802.6	184.3	1.5	0.8	- 7.2	3,286.4
	–	–	–	–	–	–	–	–
	999.8	805.1	3,340.0	524.1	50.9	4,176.8	- 5,274.5	7,508.6
	–	–	–	–	–	–	–	–
	37.2	26.5	134.2	43.2	9.2	76.0	–	432.6
	3,533	3,772	10,580	4,371	198	870	–	18,831

Condensed segment information by region

	External sales		Non-current assets	
In € million	**Q1–2/2020**	Q1–2/2019	**30/06/2020**	31/12/2019
Germany	3,416.7	3,657.8	1,755.4	1,764.9
Austria	1,185.8	1,201.4	498.4	520.5
Netherlands	807.3	829.5	–	–
New Zealand	–	–	246.3	243.5
Other international operations	2,783.9	2,722.0	768.0	747.7
Group	**8,193.7**	**8,410.6**	**3,268.1**	**3,276.6**

Condensed segment reporting by business unit (income statement) – by quarter

In € million	Q1/2020	Q2/2020	Q1–2/2020	Q1/2019	Q2/2019	Q1–2/2019	Change Q1–Q2 in %
Revenues generated through business with third parties							
Renewable Energies	383.5	452.3	835.8	368.4	327.7	696.1	20.1
Conventional Energy	486.2	428.8	915.0	595.6	635.1	1,230.7	- 25.7
Energy	**869.7**	**881.1**	**1,750.8**	**964.1**	**962.7**	**1,926.8**	- 9.1
BAST	1,090.7	1,148.0	2,238.7	1,414.4	1,149.6	2,564.0	- 12.7
Global Produce	201.4	249.8	451.2	191.0	206.7	397.7	13.5
Agri Trade & Service	982.8	1,004.2	1,987.0	904.4	1,031.8	1,936.2	2.6
Agricultural Equipment	385.4	491.5	876.9	313.9	484.5	798.4	9.8
Agriculture	**2,660.3**	**2,893.5**	**5,553.8**	**2,823.8**	**2,872.5**	**5,696.3**	- 2.5
Building Materials	**333.7**	**543.1**	**876.8**	**285.8**	**489.5**	**775.3**	13.1
Innovation & Digitalisation	**2.4**	**3.2**	**5.6**	**2.3**	**2.7**	**5.0**	12.0
Other Activities	**4.0**	**2.7**	**6.7**	**3.5**	**3.7**	**7.2**	- 6.9
Total	**3,870.1**	**4,323.6**	**8,193.7**	**4,079.6**	**4,331.0**	**8,410.6**	- 2.6
Earnings before interest, tax, depreciation and amortisation (EBITDA)							
Renewable Energies	- 0.9	15.9	15.0	8.3	6.6	14.9	0.7
Conventional Energy	7.8	16.1	23.9	8.3	9.0	17.3	38.2
Energy	**6.9**	**32.0**	**38.9**	**16.6**	**15.7**	**32.3**	20.8
BAST	6.1	7.3	13.4	7.8	5.3	13.1	2.3
Global Produce	7.7	23.6	31.3	4.3	17.4	21.7	44.2
Agri Trade & Service	12.6	25.4	38.0	10.6	31.5	42.1	- 9.7
Agricultural Equipment	7.2	19.1	26.3	7.6	13.1	20.7	27.1
Agriculture	**33.6**	**75.4**	**109.0**	**30.2**	**67.4**	**97.6**	11.7
Building Materials	**- 5.3**	**36.0**	**30.7**	**- 10.4**	**28.0**	**17.6**	74.4
Innovation & Digitalisation	**- 2.3**	**- 2.1**	**- 4.4**	**- 2.4**	**- 2.3**	**- 4.7**	6.4
Other Activities	**- 7.8**	**- 6.0**	**- 13.8**	**7.1**	**5.4**	**12.5**	> - 100
Transition	0.0	0.0	0.0	0.0	- 0.2	- 0.2	> 100
Total	**25.1**	**135.3**	**160.4**	**41.2**	**113.9**	**155.1**	3.4
Earnings before interest and tax (EBIT)							
Renewable Energies	- 8.9	7.6	- 1.3	1.2	- 0.7	0.5	> - 100
Conventional Energy	4.9	13.1	18.0	5.7	5.9	11.6	55.2
Energy	**- 4.0**	**20.7**	**16.7**	**6.9**	**5.2**	**12.1**	38.0
BAST	3.7	4.9	8.6	4.3	4.1	8.4	2.4
Global Produce	1.1	17.1	18.2	- 1.7	11.7	10.0	82.0
Agri Trade & Service	3.1	15.8	18.9	3.0	21.5	24.5	- 22.9
Agricultural Equipment	2.0	13.9	15.9	0.6	10.2	10.8	47.2
Agriculture	**9.9**	**51.7**	**61.6**	**6.1**	**47.5**	**53.6**	14.9
Building Materials	**- 12.0**	**29.2**	**17.2**	**- 14.6**	**21.6**	**7.0**	> 100
Innovation & Digitalisation	**- 3.5**	**- 3.3**	**- 6.8**	**- 3.2**	**- 3.3**	**- 6.5**	- 4.6
Other Activities	**- 15.8**	**- 14.4**	**- 30.2**	**- 6.2**	**- 1.7**	**- 7.9**	> - 100
Transition	- 2.4	- 2.3	- 4.7	- 2.8	- 3.3	- 6.1	23.0
Total	**- 27.8**	**81.6**	**53.8**	**- 13.8**	**66.0**	**52.2**	3.1
Earnings before tax (EBT)							
Renewable Energies	- 24.1	- 4.5	- 28.6	- 7.3	- 12.3	- 19.6	- 45.9
Conventional Energy	4.9	13.3	18.2	5.7	5.8	11.5	58.3
Energy	**- 19.2**	**8.8**	**- 10.4**	**- 1.6**	**- 6.5**	**- 8.1**	- 28.4
BAST	1.3	2.4	3.7	0.3	1.2	1.5	> 100
Global Produce	- 1.1	14.7	13.6	- 4.3	9.7	5.4	> 100
Agri Trade & Service	- 0.6	9.6	9.0	- 1.9	16.6	14.7	- 38.8
Agricultural Equipment	0.2	9.1	9.3	- 2.2	6.6	4.4	> 100
Agriculture	**- 0.2**	**35.8**	**35.6**	**- 8.0**	**34.0**	**26.0**	36.9
Building Materials	**- 14.7**	**25.6**	**10.9**	**- 17.4**	**18.4**	**1.0**	> 100
Innovation & Digitalisation	**- 3.6**	**- 3.3**	**- 6.9**	**- 3.3**	**- 3.3**	**- 6.6**	- 4.5
Other Activities	**- 12.4**	**- 11.5**	**- 23.9**	**- 4.7**	**1.1**	**- 3.6**	> - 100
Transition	- 2.4	- 2.3	- 4.7	- 2.8	- 3.3	- 6.1	23.0
Total	**- 52.5**	**53.1**	**0.6**	**- 37.9**	**40.5**	**2.6**	- 76.9

Affirmation by the Legally Authorised Representatives

We hereby affirm that, to the best of our knowledge and in accordance with the generally accepted accounting principles applicable to interim reporting, the interim consolidated financial statements for the first half of the year give a true and fair view of the net assets, financial position and the result of operations of the Group, and the Interim Report of the BayWa Group presents a true and fair description of the development of the Group's business, including its performance, and of the material risks and opportunities inherent in the prospective development of the Group over the remainder of the financial year.

Munich, 4 August 2020

BayWa Aktiengesellschaft

The Board of Management
Prof. Klaus Josef Lutz
Andreas Helber
Marcus Pöllinger
Matthias Taft
Reinhard Wolf

Financial Calendar

Dates in 2020

Publication of figures for the third quarter of 2020
12 November 2020, 8.30 am – Analysts' Conference Call
12 November 2020, 10.30 am – Press Conference Call

Dates in 2021

Consolidated financial statements for 2020
25 March 2021, 10.30 am – Annual Results Press Conference, Munich
26 March 2021, 11.00 am – Analysts' Conference, Munich

Publication of figures for the first quarter of 2021
6 May 2021, 8.30 am – Analysts' Conference Call
6 May 2021 – Press release

Annual General Meeting 2021
15 June 2021, 10.00 am – ICM, Munich

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