Quarterly Statement Q1–3/2023

BayWa Group

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.

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

This statement is available in German and English. Only the German version is legally binding.

Quarterly Statement [1]

Overview of Business Performance of the BayWa Group

Business development in the third quarter in line with expectations — full-year forecast again confirmed

- Agriculture business unit: strong performance in international speciality business and trade in agricultural equipment
- Energy business unit: BayWa r.e. reports planned shortfall; significant project sales expected in the final quarter
- Building materials business unit: Building materials trade activities continue to be impacted by weak order situation in residential construction

The past year and therefore also the comparison period from January to September 2022 were characterised by unprecedented product shortages, extreme price volatility and somewhat irrational behaviour by many market participants following the attack on Ukraine and under the long-term effects of the pandemic. The results of the financial year 2022 can therefore only be compared to the current financial year to a limited extent. The BayWa Group reported a solid result despite difficult market conditions and has confirmed the planned EBIT target of €320 million to €370 million for the financial year 2023.

After the first nine months of the current financial year, the BayWa Group reported a foreseeable decrease in revenues of 9.4% year on year to around €18.2 billion. A clear drop in sales prices for raw materials and agricultural inputs were the main reason for the drop in revenues. Earnings before interest and tax (EBIT) decreased as expected, from €459.8 million in the previous year to €214.6 million as at 30 September 2023. The clear decline in the number of sold projects in the Renewable Energies Segment so far this year compared to the 2022 comparison period has also had an impact in this context. As a rule, project sales are not spread evenly across the year, which means that there is extremely limited scope for comparison between interim reporting dates. Reasonable comparisons of project business can therefore only be made on a year-by-year basis. A significant increase in earnings is expected in the current financial year as a result of the sale of solar parks and wind farms with a total output in excess of 175 megawatts (MW) and the sale of project rights with a total output of just under 800 MW in the final quarter. The supply-side uncertainty in the previous year caused by the war against Ukraine has largely been resolved in the current financial year, resulting in prices of many raw materials declining by a clear margin. Consequentially, the trading margins on fuels such as heating oil and wood pellets in particular have shrunk, and the Energy Segment's result has returned back to levels observed before the war against Ukraine.

The agriculture business unit was able to generate above-average earnings once again, despite mixed results among the individual segments. The Agricultural Equipment and Cefetra Group Segments in particular managed to build on their strong results from their previous year. The Agricultural Equipment Segment posted further growth compared to its record-breaking 2022, with international trade activities involving grain and specialities almost reaching the same heights of the previous year. The picture was mixed in the Agri Trade & Service Segment, which is responsible for the German market. While grain contracts were able to be concluded on good terms in the previous year, margins in agricultural inputs trade activities came under pressure due to falling prices, as expected. Farmers were also subdued with regard to their purchasing of agricultural inputs. In the Global Produce Segment, Cyclone Gabrielle left a significant mark in New Zealand in February 2023, strongly impacting results through harvest losses and clean-up costs. Demand for premium fruit varieties and exotic products declined, particularly in Europe, as a result of high inflation and the correspondingly muted levels of consumer spending.

In the Building Materials Segment, high interest rates and construction costs remain the key reasons for the weak order situation, which is having the expected impact on building materials trade activities. On the upside, market participants in the residential sector are gradually adapting to the change in the market conditions. Slight recovery is being observed in terms of both supply and demand, which led to BayWa Bau Projekt GmbH concluding a small number of purchase and sales contracts in the reporting quarter.

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

Highlights in the third quarter of 2023

- BayWa r.e. is granted approval for a 171-megawatt-hour (MWh) battery energy storage system (BESS) in the UK, the largest such system in BayWa's history
- BayWa r.e. completes Germany's largest roof-mounted solar power station with an output of 18 MW
- BayWa Mobility Solutions GmbH is awarded the contract for the Bavarian section of the Deutschlandnetz, a network of high-power charging points, and enters the charge point operator (CPO) market
- BayWa buildings materials opens smart store
- Hybrid bond increased by €40 million to a total of €100 million

Asset Development from 1 January to 30 September 2023

The BayWa Group's total assets stood at €12,897.1 million as at the end of the third quarter of 2023 and were therefore slightly lower than at the end of the financial year 2022, when they came to €12,976.4 million. This decline was mainly due to two effects that ran contrary to one another: Inventories fell by €274.8 million to €4,482.0 million, predominantly as a result of project sales in the Renewable Energies Segment, and current assets from derivatives were also down on the end of the financial year 2022, falling by €185.0 million to €426.2 million. On the other hand, non-current assets climbed by €304.5 million to €4,695.4 million due primarily to the increase in energy infrastructure under construction in the IPP (Independent Power Producer) business entity as part of the Renewable Energies Segment of €240.2 million to €3,298.3 million. Total assets declined by €841.3 million compared to 30 September 2022.

Equity stood at €1,821.1 million and was €87.9 million lower than the figure reported as at 31 December 2022. This decrease was predominantly the result of dividend distributions to BayWa AG shareholders and minority interests for the financial year 2022 totalling €84.7 million, cash flow hedges in energy trade activities due to falling energy prices, as well as the loss for the current financial year. This was offset by the issuing of a hybrid bond of €99.0 million, which increased equity.

The fall in non-current liabilities of €589.5 million to €4,907.6 million, as well as the increase in current liabilities by €598.1 million to €6,168.4 million, were mainly due to the reclassification of the green bond of €500.0 million. Leaving aside this reclassification, current and non-current liabilities are mainly on a par with the figures reported as at 31 December 2022. Returns from BayWa r.e. project sales are expected in the final quarter in particular.

Earnings Development from 1 January to 30 September 2023

The BayWa Group's revenues at the end of the third quarter of 2023 came to €18,191.8 million, down €1,881.2 million on the previous year's figure of €20,073.0 million. Falling energy and raw materials prices in trade business was the main reason for this decline. The drop in other operating income of €110.5 million to €304.3 million year on year was primarily due to lower foreign currency effects. In consideration of the decrease in inventories by €234.8 million to €107.1 million, the BayWa Group's gross revenues fell by 10.6% to €18,631.4 million in the first three quarters of the financial year 2023.

At €16,293.7 million, the cost of materials was €2,073.0 million lower than the previous year's figure. The BayWa Group's gross profit as at 30 September 2023 amounted to €2,337.7 million, a year-on-year decline of €136.8 million.

The €118.7 million increase in personnel expenses to €1,185.3 million is chiefly attributable to the rise in the number of employees, especially in the Renewable Energies Segment.

Other operating expenses were down by €71.9 million to €729.7 million in the reporting period, in particular owing to the decline in foreign currency translation effects compared to the previous year. By contrast, depreciation and amortisation of property, plant and equipment and intangible assets increased by 6.3% to €205.2 million.

The result of operating activities stands at €217.5 million after the first nine months of the current financial year, €195.7 million lower than the figure reported in the previous year.

The result of participating interests declined by €44.2 million year on year in the reporting period to minus €10.0 million. This was mainly due to the sale of an operating company in the Renewable Energies Segment. In addition, the result of participating interests had been positively impacted in the comparison period in 2022 through the one-off effect from the sale of the bioenergy portfolio as at 30 September 2022. At €7.1 million, income from participating interests measured at equity was down on the figure reported in the comparison period (Q1–3/2022: €12.4 million).

The BayWa Group's earnings before interest and tax (EBIT) stood at €214.6 million at the end of the third quarter of 2023. This figure was €245.2 million, or 53.3%, below the EBIT of the previous-year period of €459.8 million, which was affected by one-off items and extraordinary economic conditions. Compared to the first nine months of the financial year 2021 (EBIT: €191.7 million), EBIT is up €22.9 million, or 11.9%, as at 30 September 2023.

Due to the persistently high interest rates, the BayWa Group's net interest declined by €121.2 million compared to the first nine months of the financial year 2022, amounting to minus €238.6 million as at 30 September 2023.

Including tax income of €7.0 million, the consolidated net loss for the first nine months of 2023 is €17.0 million, a decline of €261.3 million compared with the net result for the same period of 2022.

Business Performance of the Segments from 1 January to 30 September 2023

Energy business unit

	Revenues			EBIT		
In € million	**Q1–3/2023**	Q1–3/2022	Change in %	**Q1–3/2023**	Q1–3/2022	Change in %
Renewable Energies Segment	4,274.8	4,518.4	- 5.4	105.8	161.7	- 34.6
Energy Segment	2,039.7	2,432.6	- 16.2	13.5	44.8	- 69.9
Energy business unit	**6,314.5**	**6,951.0**	**- 9.2**	**119.3**	**206.5**	**- 42.2**

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

The **Renewable Energies Segment** reported strong development, generating an above-average operating earnings before interest and tax (EBIT) of €105.8 million after the first nine months of the current financial year. The decline in earnings compared to the strong figure posted in the previous-year period was due to the different cycles in the sale of renewable energy projects in both financial years. While wind farms and solar parks with a total output of around 423 MW had been sold after nine months in the previous year, only projects with an output of just under 140 MW were sold in the reporting period. As a rule, project sales are not spread evenly across the year, which means that there is extremely limited scope for comparison between interim reporting dates. Reasonable comparisons of project business can therefore only be made on a year-by-year basis. There are plans to conclude further project sales worldwide with a total output of around 175 MW and sell project rights for a total output of just under 800 MW by the end of the year. These are likely to lead to the anticipated increase in earnings in the final quarter. The Solar Trade business entity successfully increased its sales of PV components again year on year. The total output of the sold PV modules is around 7% higher, while sales of inverters are up by 55% year on year. At the same time, the easing of supply-chain tension and excess supply on the market saw the prices of PV components fall sharply and trading margins decline accordingly, in part due to inventory devaluations in the business entity. The positive performance of the Independent Power Producer (IPP) business entity – which energy trading business belongs to – in the first half of the year continued in the third quarter. Energy trading was able to make an excellent earnings contribution in the field of power purchase agreements. At the end of the reporting period, BayWa r.e. opened Germany's largest roof-mounted solar power station in partnership with real estate company Goodman and wholesaler Metro. The system, which is located in Marl, North Rhine-Westphalia, has over 43,000 solar modules and generates total output of 18 megawatt-peak (MWp), the same amount of electricity required annually by around 5,100 households.

As expected, EBIT in the **Energy Segment** fell from the high level of the previous year to €13.5 million as at 30 September 2023. Following supply-side uncertainty and sharp price rises in the previous year due to the war against Ukraine, tension in supply chains largely eased off over the course of 2023. Prices on global commodities markets have stabilised. This trend is particularly reflected in trading margins for heat energy carriers, which have returned to average levels. While customers acted on the significant price cuts on wood pellets – of up to 50% in some cases – to stock up on supplies, sales of heating oil declined due to weather conditions and the fact that many had stockpiled in the previous year. The slight fall in sales of fuels is likely to be due to the increase in number of registered electric vehicles on the road. By contrast, the easing of supply tensions in lubricant business – particularly in Austria – caused sales to jump by around 15% overall year on year. Expansion in charging infrastructure developed positively. BayWa Mobility Solutions GmbH was awarded the contract for the Bavarian section of the Deutschlandnetz, a network of high-power charging points. The construction and operation of 20 BayWa charging stations over the next three years mark BayWa Mobility Solutions GmbH's entry into the CPO (charge point operator) market. The first BayWa charging stations, each featuring between 4 and 16 charging points, are set to be completed by mid-2024 and provide at least 200 kilowatts (KW) of output. The Deutschlandnetz is an initiative by the German federal government that aims to provide nationwide charging coverage with some 8,000 fast-charging points at 900 locations.

Agriculture business unit

	Revenues			EBIT		
In € million	**Q1–3/2023**	Q1–3/2022	Change in %	**Q1–3/2023**	Q1–3/2022	Change in %
Cefetra Group Segment	3,947.4	4,637.7	- 14.9	50.6	52.8	- 4.2
Agri Trade & Service Segment	3,930.9	4,425.4	- 11.2	46.5	152.3	- 69.5
Agricultural Equipment Segment	1,703.7	1,540.3	10.6	52.6	47.5	10.7
Global Produce Segment	749.7	703.8	6.5	- 4.7	18.3	> - 100
Agriculture business unit	**10,331.7**	**11,307.2**	**- 8.6**	**145.0**	**270.9**	**- 46.5**

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

The **Cefetra Group Segment** generated an above-average result in the reporting period with EBIT of €50.6 million, but was not quite able to match the high figures it reported in the previous year. With the trade dynamic in the Benelux countries declining and leading to a slight fall in trading volumes, the prevailing business conditions in Southern Europe improved. Grain buying – particularly when it came to corn – was limited in financial year 2022 as a result of the war against Ukraine. After the creation of the grain corridor in the country in the first half of 2023, as well as efforts to serve other procurement markets, the segment was able to bypass the obstacles it had faced in the previous year. Despite falling prices, trade activities involving standard products benefited from a market environment with volatile price levels, which was exacerbated by geopolitical tension and extreme weather events such as El Niño and opened up trading opportunities. The specialties business performed more or less as strongly as in the previous year. Royal Ingredients almost matched the excellent results it reported in the previous year in its trade in starch and proteins. In addition, the positive performance of Dubai-based subsidiary Sedaco, which markets special crops such as seed, nuts and legumes from Africa, continued in the third quarter. Cefetra Dairy was also able to make positive contributions to the food industry through trading in dairy products and dairy alternatives. Demand for organic ingredients at subsidiary Tracomex was the only area of the Cefetra Group Segment to decline.

In the reporting period, mixed performance affected the overall conditions for the domestic **agricultural trade business**. The corn harvest increased by 4.8%, whereas the wheat harvest in Germany was impacted by poor weather conditions. A prolonged dry period in May and June and a harvest disrupted by rain resulted in low yields and poorer quality in the case of the batches harvested after the rain. Overall, the grain and grain maize harvest for 2023 should stand at 41.9 million tonnes in Germany, according to the German Raiffeisen Federation (Deutscher Raiffeisenverband), representing a year-on-year decline of around 3.6%. BayWa recorded stable grain collecting volumes in the Agri Trade & Service Segment. Orders will be placed on the corresponding trading contracts in the months ahead and will be recognised through profit or loss. Industry demand for quality wheat increased. At the same time, existing grain contracts from the previous year were able to be settled on good terms. The agricultural input business was characterised by improved product availability and declining prices overall in the reporting period, but demand for fertilizer was sluggish at almost 11% below the level of the previous year. Moreover, a sharp year-on-year decline in fertilizer prices led to significant pressure on trading margins, and earnings in the segment declined as expected compared with the exceptional previous year. A downturn in performance was seen at a small number of RWA subsidiaries in Austria, where relatively high inventory devaluations of agricultural inputs led to a decline in earnings. Sales in the crop protection and seeds business were down year on year due to the weather conditions in particular. Overall, the Agri Trade & Service Segment contributed EBIT of €46.5 million in the first nine months of the current financial year.

Business development in the **Agricultural Equipment Segment** benefited from a high order backlog at the end of 2022 and exceeded the record result of the previous-year period. The 6.3% increase in sales of new machinery was primarily due to manufacturers' improved ability to deliver compared with the previous year. Demand in the segment has shifted since the beginning of the year from large machinery towards other product ranges such as attachments. Price increases imposed by manufacturers were able to be passed on to customers, improving trade margins. The service business saw continued high demand for maintenance and servicing. In addition, the lower number of working days lost due to sickness had a positive effect on capacity utilisation and productivity in the workshops. Accordingly, the Agricultural Equipment Segment posted a €5.1 million increase in EBIT year on year to €52.6 million in total for the first nine months of the current financial year.

Performance in the Global Produce Segment in the first nine months of the current financial year was marked by the effects of Cyclone Gabrielle in New Zealand. The cyclone had a severe impact on New Zealand subsidiary T&G Global Limited (T&G Global) and other partner producers in New Zealand following the good start to the year in terms of volume and quality of the harvest. The lower marketing volumes of apples as a result (including at partner producers) led to a decline in income from licensing and packaging fees in the reporting period. Additional costs were also incurred for clean-up efforts. The segment therefore closed the reporting period with EBIT of minus €4.7 million. A date for payment of insurance compensation has not yet been provided, and it is not yet clear whether it will be paid this year or next. Sales of the volumes remaining after the cyclone in the core markets of Asia, the US and Europe were stable and largely met price expectations. The Dutch BayWa subsidiary TFC Holland B.V. (TFC) reported an improvement in the buying of merchandise in the third quarter compared to the first half of the year, although inflation-related consumer reticence was still noticeable regarding exotic fruit – and was even exacerbated in some cases by retailers cancelling discount campaigns. The new marketing season in the northern hemisphere got off to a somewhat brisker start than in the previous year due to lower household self-supply from orchards and home gardens, as well as faster sales of goods from the previous harvest as a result of extensive retail discount campaigns. On average, prices for apples in Europe were almost 30% higher year on year at the beginning of the new marketing season, and are likely to remain stable as the season continues because of low pressure on supply. At 10.9 million tonnes, the new European apple harvest is expected to be 7.6% down on the previous year's high level. In Poland and Germany in particular, there was some frost damage due to the cold and wet weather during blooming season. Furthermore, the hot and dry weather in early summer resulted in smaller fruit sizes and poorer quality in various regions. Overall, the German apple harvest is estimated to be around 17% lower than the previous year at 889,000 tonnes.

Building materials business unit

	Revenues			EBIT		
In € million	**Q1–3/2023**	Q1–3/2022	Change in %	**Q1–3/2023**	Q1–3/2022	Change in %
Building Materials Segment	**1,528.7**	**1,795.6**	**- 14.9**	**5.8**	**65.8**	**- 91.2**

The **Building Materials Segment** mainly comprises the BayWa Group's trading activities involving building materials in Germany and Austria. The continued downturn in the construction sector over the course of the year once again had a major impact on earnings in the Building Materials Segment in the first nine months of 2023, with EBIT amounting to €5.8 million. High interest rates are further driving up the cost of financing new buildings and refurbishments. Along with the ongoing rise in prices for some energy-intensive building materials such as cement, they are leading to muted levels of orders and even cancellations of residential construction projects. This development has also affected demand in BayWa's product portfolio in the Building Materials Segment. Demand for retail and warehouse buildings has provided positive momentum in the commercial construction segment, as have infrastructure projects in road and bridge building in the public construction sector. The stronger focus of BayWa's sales activities on civil engineering and public construction is having a positive effect, although it has failed to compensate for the developments in residential construction. The BayWa Group initiated a cost-cutting programme in 2023 to stabilise business in the Building Materials Segment in light of the slump in the construction industry. This includes a recruitment freeze and an assessment of the strategic importance and profitability of locations. As a result, the decision was taken during the reporting period to close five locations in Bavaria by the end of November 2023 and to sell one location. BayWa Projekt GmbH performed as forecast and reported a year-on-year increase in earnings. In addition to the continued realisation of existing projects, BayWa also launched three new construction projects in Munich, Berlin and Traunstein, all in Germany, in the reporting quarter.

Innovation & Digitalisation Segment

	Revenues			EBIT		
In € million	**Q1–3/2023**	Q1–3/2022	Change in %	**Q1–3/2023**	Q1–3/2022	Change in %
Innovation & Digitalisation Segment	**8.0**	**7.8**	**2.6**	**- 4.6**	**- 8.3**	**44.6**

The **Innovation & Digitalisation Segment** pools all activities of the BayWa Group in its Digital Farming division. The year-on-year revenue growth in the reporting period was mainly due to the expansion of the core software and geodata business. EBIT was negative as a result of investments in the development of Digital Farming solutions, but still improved strongly compared to the previous-year period. This was primarily attributable to the direct allocation of material costs from the eBusiness division to the respective operating segments, which began on 1 January 2023.

Other Activities

EBIT resulting from Other Activities, including transition, primarily comprises Group administration costs, as well as consolidation effects, and stood at minus €50.9 million (Q1–3/2022: minus €75.1 million) as at 30 September 2023. The year-on-year improvement was chiefly due to the increase in income from Austria Juice GmbH and earnings from the sale of properties. Another factor was the €14 million write-down of properties in the previous year.

Outlook

The BayWa Group believes that its business performance in the first nine months of 2023 confirms its expectations for the year as a whole. As a result, it is reaffirming its EBIT target of €320 million to €370 million for the financial year 2023. However, the strong EBIT will not be reflected in the consolidated net result for the year because of higher interest expenses. The Board of Management continues to expect a very strong fourth quarter that will have a considerable effect on full-year earnings. One of the main contributors is expected to be the Renewable Energies Segment, in which additional project sales with a total output of around 175 MW are planned around the world by the end of the year, including a 50 MW solar project in Japan and several solar projects in the Netherlands totalling 70 MW. One solar park in the Netherlands with an output of over 30 MW was sold at the beginning of the fourth quarter. Plans are also in place to sell project rights with an output of almost 800 MW. Electricity and PV component trading are likewise anticipated to contribute to the increase in earnings. In the conventional energy business, a rise in sales of heat energy carriers such as heating oil and wood pellets is predicted in the upcoming winter months. In the final quarter, the energy business unit is likely to more than double the earnings contribution it made in the first nine months of the current financial year.

However, the process of selling the Solar Trade business entity will continue into 2024 due to the current market conditions. BayWa expects an improved economic environment by then, which should favour the carve-out concept.

The agriculture business unit reported business development on a par with that of the preceding quarters. The Agricultural Equipment and the Cefetra Group Segments will likely achieve an above-average earnings contribution in the final quarter of 2023. The main factors that should provide a continued tailwind in the Agricultural Equipment Segment are order intake, which is close to the record level of the previous year, and the momentum expected from the Agritechnica trade fair in November. Geopolitical tensions and weather phenomenons such as El Niño could lead to increasing price volatility on the international grain and oilseed markets. The global grain market is somewhat better positioned, with an increase of around 2% in yields year on year. There is brisk demand for quality wheat in Europe in particular – a situation that is likely to give the Cefetra Group good international trading opportunities. The southern European subsidiaries of the Cefetra Group are also benefiting from new export routes for grain from Ukraine and alternative procurement markets. This too will have a positive effect on earnings compared with the previous year. Trade in specialities is also likely to continue the positive performance of the preceding quarters. Overall, the Cefetra Group's earnings are expected to at least match the record figure of the previous year. In the Agri Trade & Service Segment, the storage season for agricultural inputs got off to a subdued start following the harvest. Coupled with a sharp fall in prices for fertilizers in particular, this means there is a good chance that business will pick up by the end of the year. Prices for fertilizer have decreased by up to 60% compared with the exceptional previous year and remain relatively stable to date despite the escalation of the situation in the Middle East and the expected increase in energy prices as a result. Uncertainty about future price trends could lead to an upturn in demand from farmers in the short term.

Germany's grain harvest of around 42 million tonnes in total was down some 3.6% year on year, with significant quantitative and qualitative differences noted between regions. These differences could be an advantage in the trading of agricultural products, as the harvest remained comparatively stable in BayWa's core regions. Furthermore, grain buying in the food industry can be expected to follow soon. High interest rates and declining grain prices have slowed demand from industry, although it should be noted that most grain contracts concluded this year cannot be recognised in profit or loss until next year. The marketing season for southern hemisphere products is more or less over. As a result, fruit business in the final quarter will largely depend on marketing of the harvest from the northern hemisphere. Apple harvests vary between regions in European growing areas. The harvest volume in Germany decreased by around 17% year on year due to frost damage during the blooming phase and the dry summer months, leading to a price increase of up to 30% at the beginning of the marketing season. The typical increase in demand in the run-up to Christmas will likely boost trade in tropical fruits. Trade in exotic fruit and vegetables, on the other hand, will still be affected in the final quarter by the general reluctance to buy premium fruit due to inflation and higher logistics costs. Because of the unfavourable development at the subsidiary T&G Global in New Zealand as a result of the cyclone, EBIT in the Global Produce Segment will depend heavily on the amount of compensation for the damage caused by Cyclone Gabrielle.

The construction sector is unlikely to see any improvement in the winter quarter, and it remains to be seen whether activity has already bottomed out. The good news is that terms have improved for low-interest loans due to the "Home ownership for families" (WEF) programme, which is designed to help low and middle-income families to build new climate-friendly houses. This can also be expected to have a positive effect on demand for BayWa's construction materials and services. The cost-cutting programme introduced by the management in the Building Materials Segment and the focus of BayWa's sales activities on civil engineering are also starting to bear fruit and are anticipated to boost earnings in the fourth quarter.

The negative result generated by Other Activities should improve thanks to active cost management, in particular at the administrative units, resulting in a significant upturn compared to the previous year. The low costs associated with the coronavirus pandemic and higher dividends from Group companies are also a positive factor.

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.

Selected Financial Information

Consolidated Balance Sheet as at 30 September 2023

Assets

In € million		30/09/2023	31/12/2022
Non-current assets			
Intangible assets		521.4	459.3
Property, plant and equipment		3,298.3	3,058.1
Participating interests recognised at equity		311.2	278.7
Investments		230.4	229.0
Investment property		37.3	42.1
Income tax assets		3.3	4.7
Assets from derivatives		75.4	97.9
Other receivables and other non-current financial assets		47.6	51.7
Other non-current non-financial assets		9.9	7.5
Deferred tax assets		160.6	161.9
		4,695.4	**4,390.9**
Current assets			
Securities		0.9	0.9
Inventories		4,482.0	4,756.8
Biological assets		9.5	16.5
Income tax assets		88.6	63.3
Assets from derivatives		426.2	611.2
Other receivables and other current financial assets		2,474.0	2,341.1
Other current non-financial assets		415.7	557.5
Cash and cash equivalents		301.5	221.8
		8,198.4	**8,569.1**
Non-current assets held for sale/disposal groups		**3.3**	**16.4**
Total assets		**12,897.1**	**12,976.4**

Shareholders' equity and liabilities

In € million		**30/09/2023**	31/12/2022
Equity			
Subscribed capital		91.8	91.8
Capital reserve		138.2	138.2
Hybrid capital		99.0	–
Revenue reserves		700.4	735.9
Other reserves		- 48.7	33.8
Equity net of minority interest		**980.7**	**999.7**
Minority interest		840.4	909.3
		1,821.1	**1,909.0**
Non-current liabilities			
Pension provisions		514.5	519.8
Other non-current provisions		83.7	86.9
Long-term debt		2,986.4	3,560.1
Lease liabilities		954.9	926.3
Trade payables and liabilities from inter-group business relationships		5.7	4.6
Income tax liabilities		0.0	–
Liabilities from derivatives		62.4	107.4
Other non-current liabilities		13.5	0.3
Other non-financial liabilities		88.3	86.8
Deferred tax liabilities		198.2	204.9
		4,907.6	**5,497.1**
Current liabilities			
Pension provisions		32.2	32.4
Other current provisions		470.6	514.6
Short-term debt		2,515.0	1,718.7
Lease liabilities		88.9	75.6
Trade payables and liabilities from inter-group business relationships		1,782.2	1,835.7
Income tax liabilities		45.7	98.7
Liabilities from derivatives		312.9	364.2
Other financial liabilities		232.0	170.7
Other non-financial liabilities		688.9	759.7
		6,168.4	**5,570.3**
Liabilities from disposal groups		**–**	**–**
Total shareholders' equity and liabilities		**12,897.1**	**12,976.4**

Consolidated Income Statement from 1 January to 30 September 2023

Continued operations

In € million		Q1–3/2023	Q1–3/2022
Revenues		**18,191.8**	**20,073.0**
Inventory changes		107.1	341.9
Other own work capitalised		28.2	11.5
Other operating income		304.3	414.8
Cost of materials		- 16,293.7	- 18,366.7
Gross profit		**2,337.7**	**2,474.5**
Personnel expenses		- 1,185.3	- 1,066.6
Depreciation/amortisation		- 205.2	- 193.1
Other operating expenses		- 729.7	- 801.6
Result of operating activities		**217.5**	**413.2**
Income from participating interests recognised at equity		7.1	12.4
Other income from shareholdings		- 10.0	34.2
Interest income		13.8	9.3
Interest expenses		- 252.4	- 126.7
Financial result		**- 241.5**	**- 70.8**
Earnings before tax (EBT)		**- 24.0**	**342.4**
Income tax		7.0	- 98.1
Consolidated net result for the period		**- 17.0**	**244.3**
thereof: profit share of minority interest		4.7	89.3
thereof: profit share of shareholders of the parent company		- 21.7	155.0
Basic earnings per share (in €)		**- 0.66**	**4.08**
Diluted earnings per share (in €)		**- 0.66**	**4.08**

Munich, 6 November 2023

BayWa Aktiengesellschaft

The Board of Management
Marcus Pöllinger
Andreas Helber
Dr. Marlen Wienert
Reinhard Wolf

Financial Calendar

Dates in 2024

Consolidated financial statements for 2023
28 March 2024, 10.30 am – Annual Results Press Conference, Munich
28 March 2024, 2.00 pm – Analysts' Conference, Munich

Publication of figures for the first quarter of 2024
8 May 2024 – Press Release
8 May 2024, 2.00 pm – Analysts' Conference Call

Annual General Meeting 2024
11 June 2024, 10.00 am

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