

# Investor Relations

# Newsletter

8th August 2019

## First half of 2019: BayWa on track for success – significant improvement in earnings

- Successful issue of a green bond worth EUR 500 million
- BayWa plans capital increase at BayWa r.e. for further growth financing
- Company portfolio restructuring – TESSOL to be sold by end of 2019
- EBIT up 62.6% year on year to EUR 52.2 million in total (2018: EUR 32.1 million)

After six months of the current financial year, consolidated revenues increased by 1.7% year on year to approximately EUR 8.4 billion. Earnings before interest and tax (EBIT) rose by EUR 20.1 million to EUR 52.2 million in total. The improvement in EBIT was attributable in particular to the highly favourable development in the Energy Segment and the initial application of the new IFRS 16 lease accounting standard.

While earnings in the Agriculture and Building Materials Segments were on par with those seen in the previous year, the Energy Segment posted substantial gains. There was a significant rise in sales in trading activities with fossil fuels on account of the fall in heating oil consumer prices. BayWa r.e. also benefited from lively trade in photovoltaic components. As in the previous year, project sales in the Renewable Energies business unit are not planned until the second half of the year. Given that a large number of wind farms and solar parks are slated to be sold in the final quarter in particular, project business is set to increase considerably in the second half of the year and be one of the Group's key earnings drivers in the current financial year.

The Agriculture Segment saw varied development. The operating resources business, particularly involving seed and fertiliser, was characterised by mild weather conditions. In addition, it was possible to market grain harvested in the previous year at better margins. International trade in produce was not able to match the domestic business due to relatively low price volatility on international agricultural commodities markets and a decline in grain handling volume. High fruit inventories resulting from the record-breaking harvests in Europe in the previous year should gradually decline and lead to improved market conditions with regard to demand and prices. The market conditions for trade in agricultural equipment and in the construction sector remain positive.

For 2019, management confirms its forecast that the Group will achieve higher EBIT than in the previous year.



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# Key Financials of the BayWa Group

## Income Statement

In EUR million	Q1 2019	Q2 2019	HJ 2019	HJ 2018	Δ2018/19
Revenues	4,079.6	4,331.0	<b>8,410.6</b>	<b>8,270.4</b>	1.7%
EBITDA	41.2	113.8	<b>155.1</b>	<b>96.8</b>	60.2%
EBIT	-13.8	65.9	<b>52.2</b>	<b>32.1</b>	62.6%
EBT	-37.9	40.5	<b>2.6</b>	<b>-1.6</b>	>+100%
Consolidated net result	-38.8	40.7	<b>1.9</b>	<b>-1.1</b>	>+100%

## EBIT per Segment

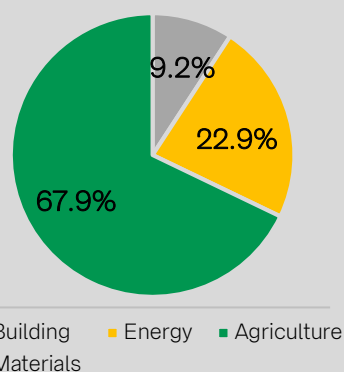
In EUR million	Q1 2019	Q2 2019	HJ 2019	HJ 2018	Δ2018/19
Agriculture	<b>6.1</b>	<b>47.5</b>	<b>53.6</b>	<b>52.4</b>	2.3%
BAST	4.3	4.1	8.4	14.5	-42.1%
Agri Trade & Service	3.0	21.5	24.5	11.7	>+100%
Agricultural Equipment	0.6	10.2	10.8	15.6	-30.8%
Global Produce	-1.7	11.7	10.0	10.6	-6.0%
Energy	<b>6.9</b>	<b>5.1</b>	<b>12.1</b>	<b>1.3</b>	>+100%
Renewable Energies	1.2	-0.7	0.5	-3.6	>+100%
Conventional Energy	5.7	5.8	11.6	4.9	>+100%
Building Materials	<b>-14.6</b>	<b>21.6</b>	<b>7.0</b>	<b>7.4</b>	-5.7%
Innovation & Digitalisation	<b>-3.2</b>	<b>-3.3</b>	<b>-6.5</b>	<b>-6.0</b>	8.3%
Other Activities	<b>-9.1</b>	<b>-4.9</b>	<b>-14.0</b>	<b>-23.0</b>	39.1%
Total	<b>-13.8</b>	<b>65.9</b>	<b>52.2</b>	<b>32.1</b>	62.6%

### Earnings per share (EPS) in EUR



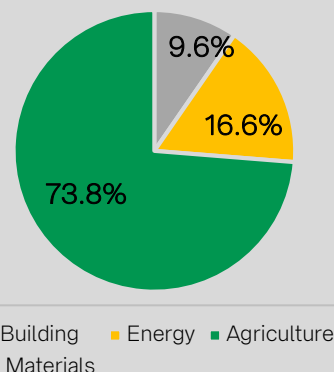
HJ 2018 HJ 2019

### Share of revenues per segment in %: HJ 2019



■ Building Materials ■ Energy ■ Agriculture

### Share of EBIT (operative) per Segment in %: HJ 2019



■ Building Materials ■ Energy ■ Agriculture

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## Capital market developments in the first half of 2019

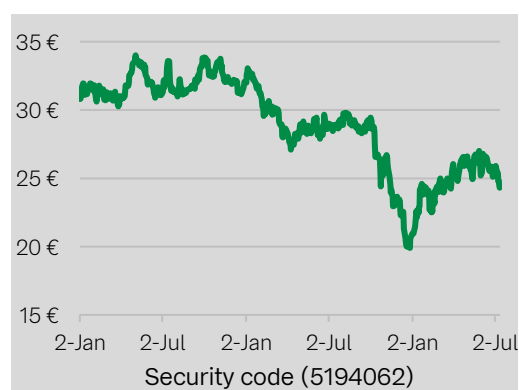
Global financial markets were exposed to a wide range of geopolitical and economic policy crises in the first half of 2019. Despite a variety of uncertainties, the major indices posted positive development, due primarily to the expansionary monetary policy pursued by the world's central banks. Leading the charge was the US Federal Reserve, which abandoned its efforts to moderately tighten monetary policy. The DAX managed to gain 17% in the first six months of the current financial year. Since then, the markets have taken a turn south. The rising tensions between China and the US are seen as the most significant risk. In the second half of the year, the current trade war could evolve into the largest obstacle for capital markets.

## Green bond

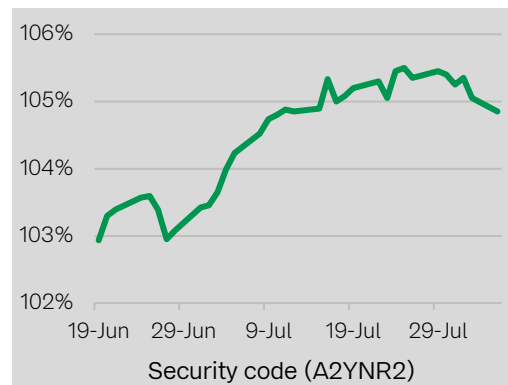
In June, BayWa issued a green bond to finance new and existing wind and solar power plants around the world. Unlike with a conventional bond, the proceeds from the green bond will be used solely to finance climate-friendly projects. Green bonds and sustainable financial investments are increasingly gaining importance on the world's financial markets. The segment has grown significantly in recent years. New green bonds worth roughly USD138 billion in total were issued in 2018. Volume is expected to reach a record high of more than USD200 billion in 2019.

## BayWa Share

Closing price on 07/08/2019	22.9€
Closing price on 30/06/2019	28.5 €
52W High	29.8 €
52W Low	19.9 €

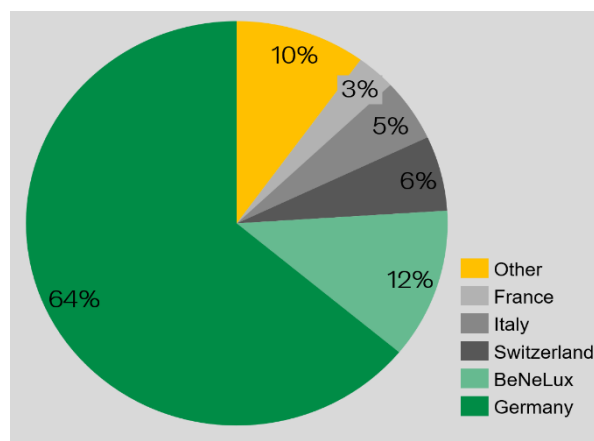


## BayWa Green Bond



## Green Bond's Key Data and Geographical Distribution of Investors

Active Joint Bookrunners	BNP, ING, DZ BANK, UniCredit Bank
Status	Senior unsecured
Rating	unrated
Volume	EUR 500 million
Duration	5 years
Maturity	26. June 2024
Coupon	3,125% p.a.
Pricing	Mid Swap +328,7 bp
Denomination	EUR 1,000
Listing	Luxembourg Stock Exchange



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## Financial Calendar at IR Homepage

<https://www.baywa.com/en/investor-relations/financial-events.html>