

# Investor Relations Newsletter | 3<sup>rd</sup> quarter 2023

BayWa



## Q3 business development in line with expectations – BayWa r.e with end-of-year rally

After the first nine months of the current financial year, the BayWa Group reports a price-related decline in revenues of 9.4% year on year to around €18.2 billion. 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 planned shortfall compared to the unprecedented year of 2022 is primarily due to the significantly lower number of projects sold by the Renewable Energies Segment so far over the course of the year. A significant jump in earnings is expected here in the final quarter as a result of the sale of wind farms and solar parks with a total output of over 175 megawatts (MW) and the sale of project rights of roughly 800 MW. The Cefetra Group and Agricultural Equipment Segments built on their ex-

tremely robust results in the previous year and were key contributors to making up for the declines in earnings in the Building Materials and Global Produce Segments. Clean-up costs following Cyclone Gabrielle in New Zealand are having a substantial impact on fruit and vegetable fruit trading activities. The Building Materials Segment has been unable to escape the consequences of the slump in the German residential construction market. “Our diversified business model has proven its worth once again and played a significant role in generating above-average operating earnings in spite of the difficult market situation,” said Marcus Pöllinger, CEO of BayWa AG. “However, high interest rates continue to pose a challenge, the effects of which we will have to take into even more consideration in our trading strategy and portfolio management.”

### Highlights

- Board of Management confirms full-year EBIT guidance for 2023 of €320 million to €370 million

#### Energy business unit:

- BayWa r.e. reports planned shortfall; significant project sales expected in the final quarter

#### Agriculture business unit:

- Strong performance in international speciality business and trade in agricultural equipment

#### Building materials business unit:

- Building materials trade activities continue to be impacted by weak order situation in residential construction
- Above-average operating earnings not reflected in EPS due to high interest expenses

# Key Financials of the BayWa Group

## Income Statement

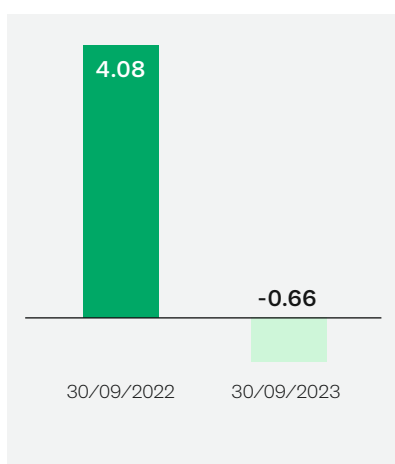
in EUR million	Q1 2023	Q2 2023	Q3 2023	01-09/2023	01-09/2022	Change
Revenues	6,280.4	6,278.8	5,632.6	<b>18,191.8</b>	20,073.0	-9.4%
EBITDA	158.8	163.3	97.7	<b>419.8</b>	652.9	-35.7%
EBIT	91.8	95.1	27.7	<b>214.6</b>	459.8	-53.3%
EBT	14.6	18.1	-56.7	<b>-24.0</b>	342.4	> -100
Consolidated net result	10.4	12.8	-40.2	<b>-17.0</b>	244.3	> -100

## EBIT per Business Unit and Segment

in EUR million	Q1 2023	Q2 2023	Q3 2023	01-09/2023	01-09/2022	Change
Energy <sup>1</sup>	57.5	50.2	11.6	<b>119.3</b>	206.5	-42.2%
Renewable Energies	53.0	45.4	7.4	<b>105.8</b>	161.7	-34.6%
Energy	4.5	4.8	4.2	<b>13.5</b>	44.8	-69.9%
Agriculture <sup>1</sup>	57.9	54.0	33.1	<b>145.0</b>	270.9	-46.5%
Cefetra Group	17.1	13.2	20.3	<b>50.6</b>	52.8	-4.2%
Agri Trade & Service	31.0	8.8	6.7	<b>46.5</b>	152.3	-69.5%
Agricultural Equipment	22.4	21.5	8.7	<b>52.6</b>	47.5	10.7%
Global Produce	-12.6	10.5	-2.6	<b>-4.7</b>	18.3	> -100
Building materials <sup>1</sup>	-9.1	9.8	5.1	<b>5.8</b>	65.8	-91.2%
Innovation & Digitalisation	-1.1	-2.1	-1.4	<b>-4.6</b>	-8.3	-44.6%
Other Activities	-13.4	-16.8	-20.7	<b>-50.9</b>	-75.1	32.2%
Total	91.8	95.1	27.7	<b>214.6</b>	459.8	-53.3%

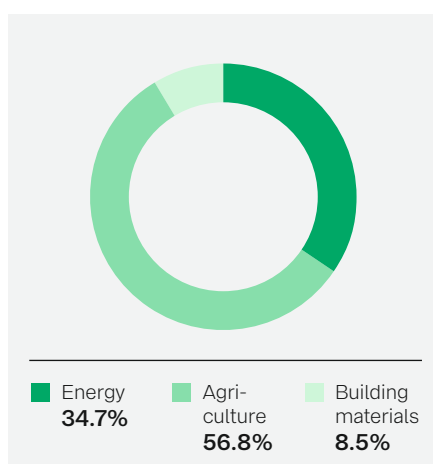
## Earnings per Share (EPS)

in €



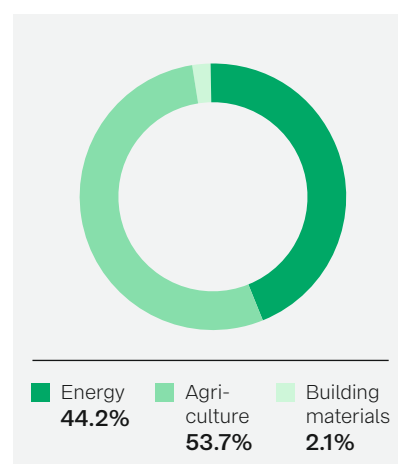
## Share of Revenues per Business Unit

in % as at 30/09/2023



## Share of EBIT (operational) – per Business Unit

in % as at 30/09/2023



<sup>1</sup> Business unit

# Capital Market

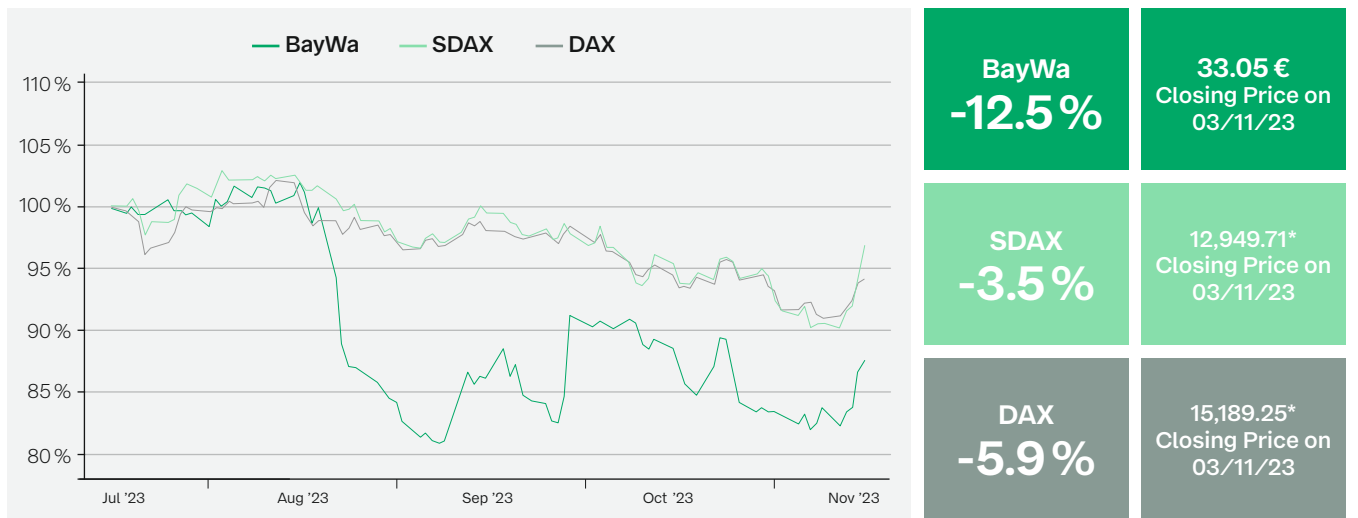
## Developments in the second half of the year 2023

Capital market fundamentals are dominated by declining inflation and largely subdued economic development triggered by high benchmark rates. The European Central Bank (ECB) has raised its rates for a 10th consecutive time. The last hike – of 0.25% in September 2023 – pushed rates to a new record of 4.50%, while the US central bank (the Fed) increased its benchmark to the range of 5.25 to 5.5%, the highest level seen in 20 years.

Even though the period of rising rates may be coming to an end, bond markets are now pricing in interest rates remaining at this high level for the time being. The yield on the 10-year Treasury has reached more than 5% for the first time since 2007. Fears of a continuation of the high-interest environment, and the im-

plications of this on economic development, have had a corresponding impact on stock markets. After rallying well in the first half of 2023, stock markets experienced a clear dip in the third quarter driven by the escalating tensions in the Middle East. The DAX, for instance, slipped to a low of just under 14,700 points at the end of October and has only traded below that mark so far this year in January. In view of the ongoing geopolitical unease, high interest rates and significant volatility on global markets, the mood on the IPO market was muted. Almost all major European IPOs so far in 2023 are trading below their issue price. In the third quarter of 2023, 350 companies were floated on the stock market worldwide – 6% fewer than in the same quarter in 2022 (371). Issue volume declined by 27%, to USD 38.4 billion (source: EY press release, 28 September 2023).

## BayWa Share: Performance Development compared to the SDAX and DAX from the second half of 2023



\* Points

## Current Analyst Recommendations

Warburg Research	Buy	November 2023
Baader Bank	Buy	September 2023
Kepler Cheuvreux	Buy	August 2023
Metzler	Buy	August 2023
DZ Bank	Buy	August 2023

## BayWa Share

Closing Price on 03/11/2023	33.05 €
Closing Price on 30/09/2023	33.70 €
52W-High	48.65 €
52W-Low	30.55 €

# Financial Calendar 2023/2024

9 November 2023	Interim Report Q3 2023: Analysts' Conference Call	8.30 am
28 March 2024	Consolidated Financial Statements 2023: Analysts' Conference	2.00 pm
8 May 2024	Interim Report Q1 2024: Analysts' Conference Call	2.00 pm
11 June 2024	Annual General Meeting (in person)	10.00 am



Follow us on LinkedIn  
#BayWaIR

**BayWa AG**  
Investor Relations  
Arabellastr. 4  
81925 Munich  
Germany

T +49 (0) 89 9222-0  
F +49 (0) 89 9212-3448

**BayWa Group on the internet:**  
www.baywa.com/  
investor\_relations