BayWa

Interim Report
First Half 2020
Conference Call

Munich, 06 August 2020

Prof. Klaus Josef Lutz, CEO
Andreas Helber, CFO

Agenda

1. Corona Update
2. Development of the Group 1-6/2020
3. Development of the Segments 1-6/2020
4. Outlook for FY 2020

Appendix

Coronavirus
Measures and precautions

IT and communication

Establishment of a crisis team:

- More than 250 measures and decisions by the Crisis Task Force
- 24 hour crisis hotline

Help desk set up:

- 33,000 visits to the COVID-19 portal
- 1,100 help desk enquiries

Employees working on a mobile basis (new maximum level)

- BayWa AG & German Group companies: ca 10%; RWA: ca 80%; T&G: ca 15%; BAST: ca 90%, BayWa r.e.: ca 90%

Protection and safety

Group-wide supply of:

- 1,600,000 masks
- 13,000 liters of disinfectant

Additional attachment of plexiglass panes for employees in the checkout, counter and reception area

BayWa covers the costs of the Corona test for employees

BayWa locations in Germany were seamlessly available to their customers and with very few restrictions.

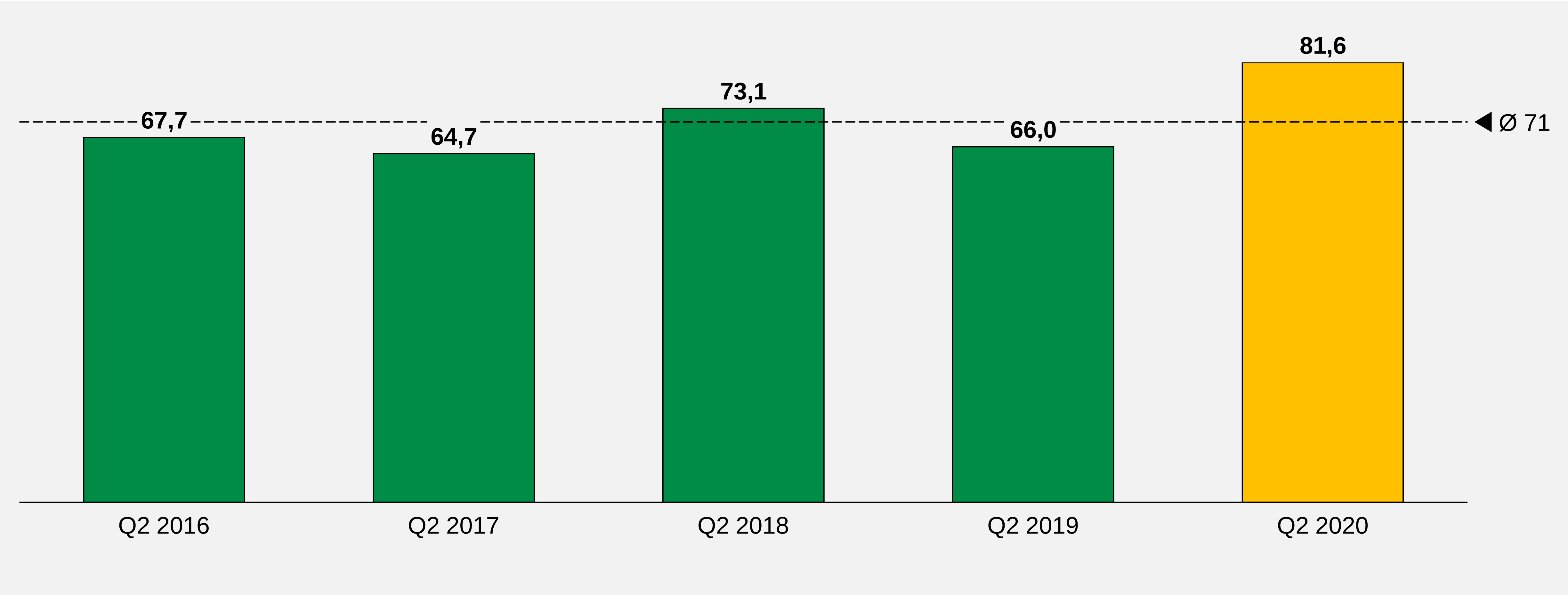
Based on our experience to date and our measures, we are well prepared for a possible second wave.

Development of the Group 1-6/2020

Development of the Group 1-6/2020
Summary

- Slight price-induced decline in revenues
- Above-average, strong second-quarter: shortfall from the first quarter already made up by mid-year
- EBIT raised slightly compared with year-earlier period
- All three operating segments contributed to raising profit and to compensating for the burden on the result from Other Activities
- BayWa r.e.: project disposals not included in half-year result; to take place at year end, as scheduled

Development of the Group Q2/2020
Multi-year comparison of EBIT



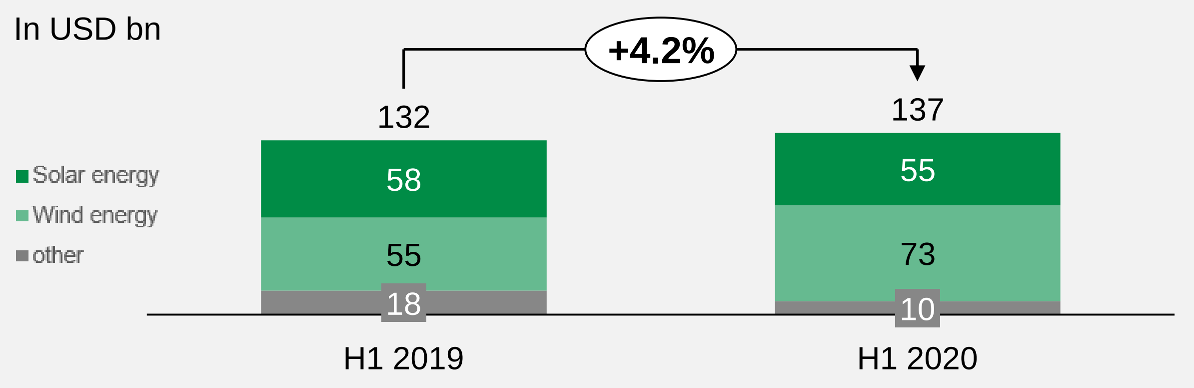
Energy Segment

BayWa

Energy Segment 1-6/2020
Market developments

Renewable Energies

Global investments in renewable energies in H1 2020[1]
→ Increase in favour of wind energy



Forecast for global capacity installation in 2020[1]

Onshore wind energy

59.8

In GW

(+12.8% y/y)

Solar

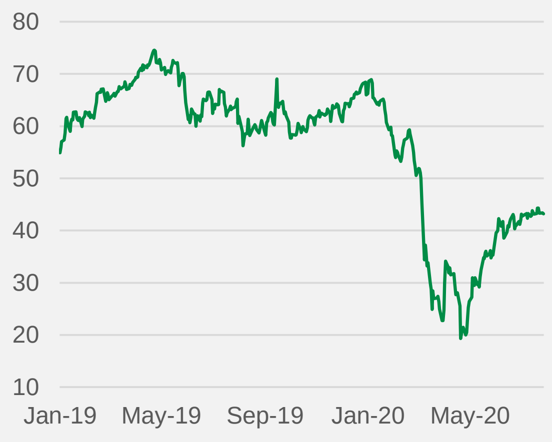
111.2

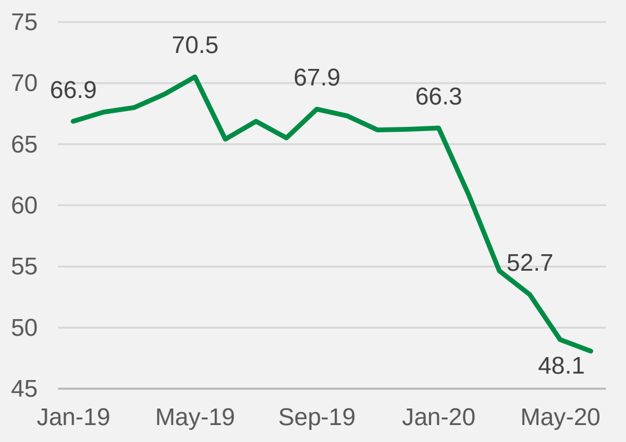
In GW

(-5.7% y/y)

Conventional Energy

Brent crude oil price[2] and heating oil price trend in Germany[3]



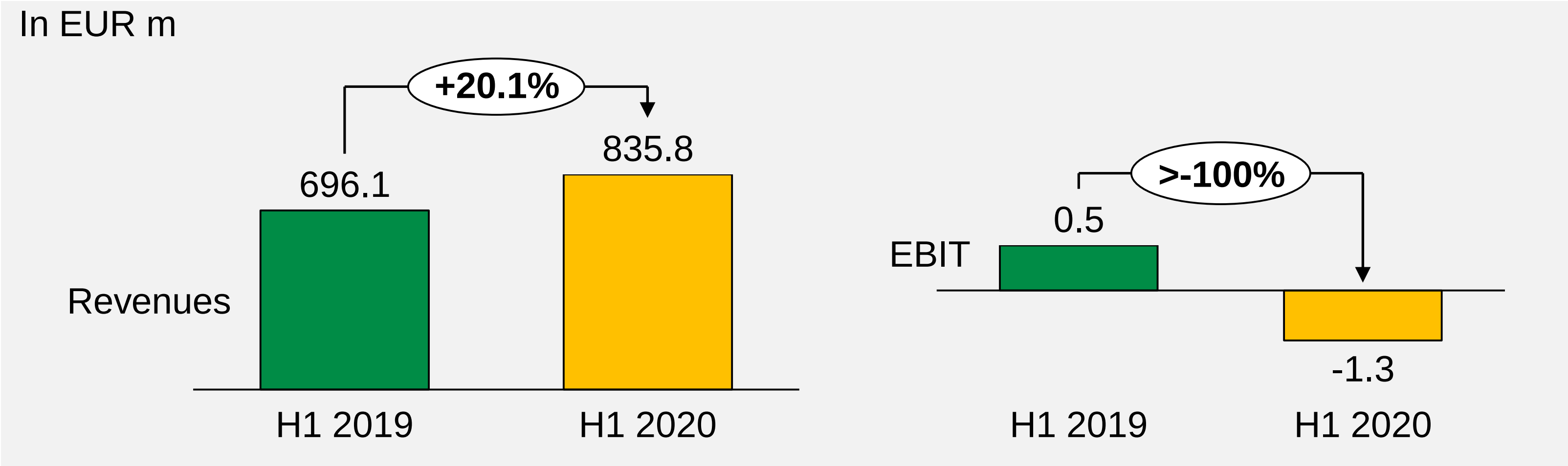


- Lowest point at around USD 19 in April due to restrictions on mobility
- Crude oil market recovering since the end of April – heating oil price continues downtrend
- Increased customer demand for heating oil – price trend used increasingly by consumers to stock up

Sources: 1) BNEF; 2) finanzen.net; 3) Statista

Energy Segment 1-6/2020: Renewable Energies
Revenues and EBIT as against the previous year

Renewable Energies

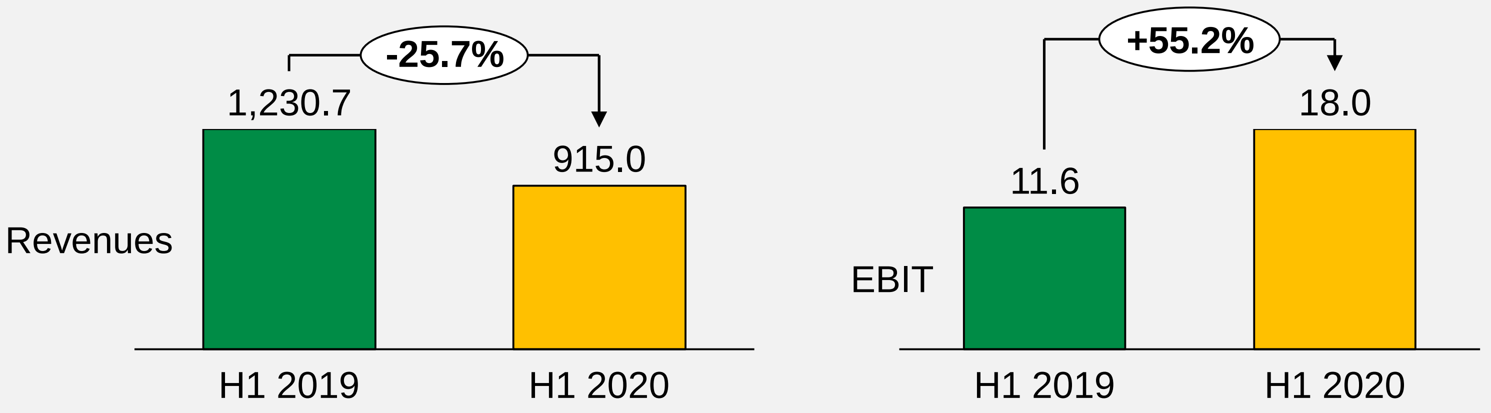


- Revenues: ∆ 19/20 EUR +139.7 million
- EBIT: ∆ 19/20 EUR -1.8 million
- Significant increase in revenues from extensive trading in PV components (solar trade +27.4% y/y); no supply bottlenecks from Asia, as originally feared
- Result at the year-earlier level; sale of BMH Biomethan GmbH in the previous year (EUR 7.2 million)
- Earnings contributions through solar activities (trading & sales approx. EUR 13 million); opposite effects on profit from energy trading (low electricity prices EUR 3.6 million)
- Sale in the first half year of four solar parks in the Netherlands (54.5 MW); commissioning and sale of Bomhofsplas, Europe’s largest floating PV project (27.4 MW); project rights in Japan (14 MW)
- Disposals planned for H2 2020 (more than 1 GW), especially in the final quarter

Energy Segment 1-6/2020: Conventional Energy Revenues and EBIT as against the previous year

Conventional Energy

In EUR m



- Revenues: ∆ 19/20 EUR -315.7 million
- EBIT: ∆ 19/20 EUR +6.4 million
- Price-induced decline in revenues and disposal of TESSOL (EUR 178.5 million)
- Uptrend in heating oil sales (+27.8% y/y) and wood pellets (+7.7% y/y); decline in fuels (-23.4% y/y) and lubricants (-7.4% y/y)
- Price drops of heat energy carriers used by consumers to stock up
- Significant increase in profit from above-average sale of heat energy carriers
- Earnings contribution of TESSOL (EUR 5.4 million) more than compensated through heating business

Financials Energy Segment 1-6/2020
Income Statement

in EUR m	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	∆19/20 (%)
Revenues	1,274.3	1,664.1	1,644.9	1,926.8	**1,750.8**	-9.1%
EBITDA	38.8	66.0	12.7	32.2	**38.9**	20.8%
% of Revenues	*3.0%*	*4.0%*	*0.8%*	*1.8%*	*2.2%*	
EBIT	23.1	49.1	1.3	12.1	**16.7**	38.0%
% of Revenues	*1.8%*	*3.0%*	*0.1%*	*0.6%*	*1.0%*	
EBT	15.0	38.5	-7.7	-8.1	**-10.4**	-28.4%
% of Revenues	*1.2%*	*2.3%*	*-0.5%*	*-0.4%*	*-0.6%*	

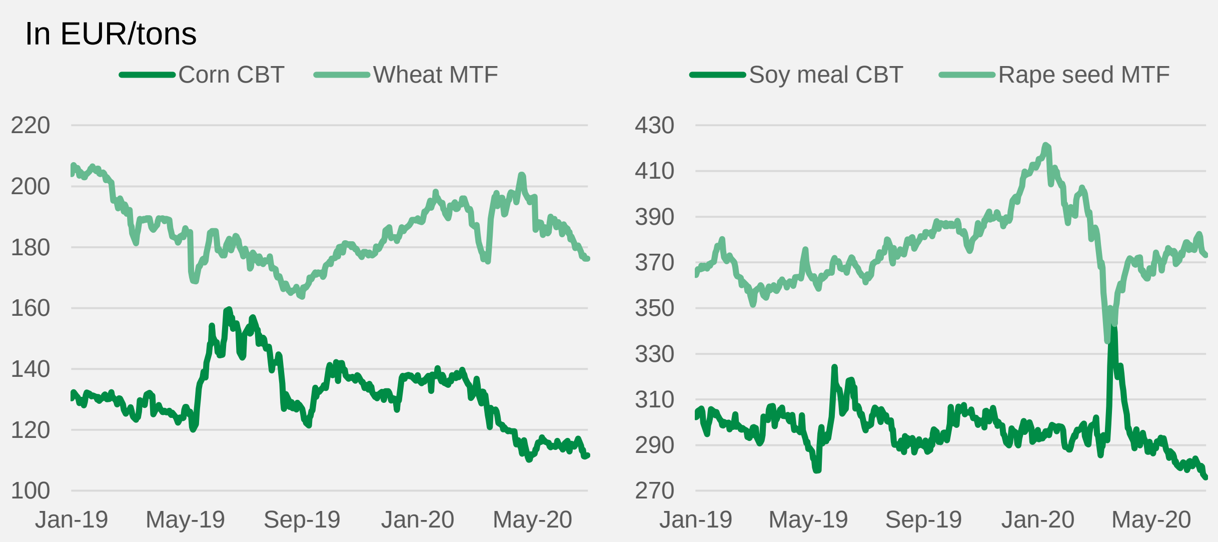
Financials Energy Segment 1-6/2020
Income Statement

in Mio. Euro	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	∆19/20 (%)
Revenues	**1,274.3**	**1,664.1**	**1,644.9**	**1,926.8**	**1,750.8**	**-9.1%**
Renewable Energies	*316.1*	*576.0*	*539.9*	*696.1*	*835.8*	*20.1%*
Conventional Energy	*958.2*	*1,088.1*	*1,105.0*	*1230.7*	*915.0*	*-25.7%*
EBITDA	**38.8**	**66.0**	**12.7**	**32.2**	**38.9**	**20.8%**
Renewable Energies	*27.4*	*54.0*	*3.2*	*14.9*	*15.0*	*0.7%*
Conventional Energy	*11.4*	*12.0*	*9.5*	*17.3*	*23.9*	*38.2%*
EBIT	**23.1**	**49.1**	**1.3**	**12.1**	**16.7**	**38.0%**
Renewable Energies	*15.7*	*41.3*	*-3.6*	*0.5*	*-1.3*	*>-100%*
Conventional Energy	*7.4*	*7.8*	*4.9*	*11.6*	*18.0*	*55.2*
EBT	**15.0**	**38.5**	**-7.7**	**-8.1**	**-10.4**	**-28.4%**
Renewable Energies	*7.9*	*30.8*	*-12.4*	*-19.6*	*-28.6*	*-45.9%*
Conventional Energy	*7.1*	*7.7*	*4.7*	*11.5*	*18.2*	*58.3*

Agriculture Segment

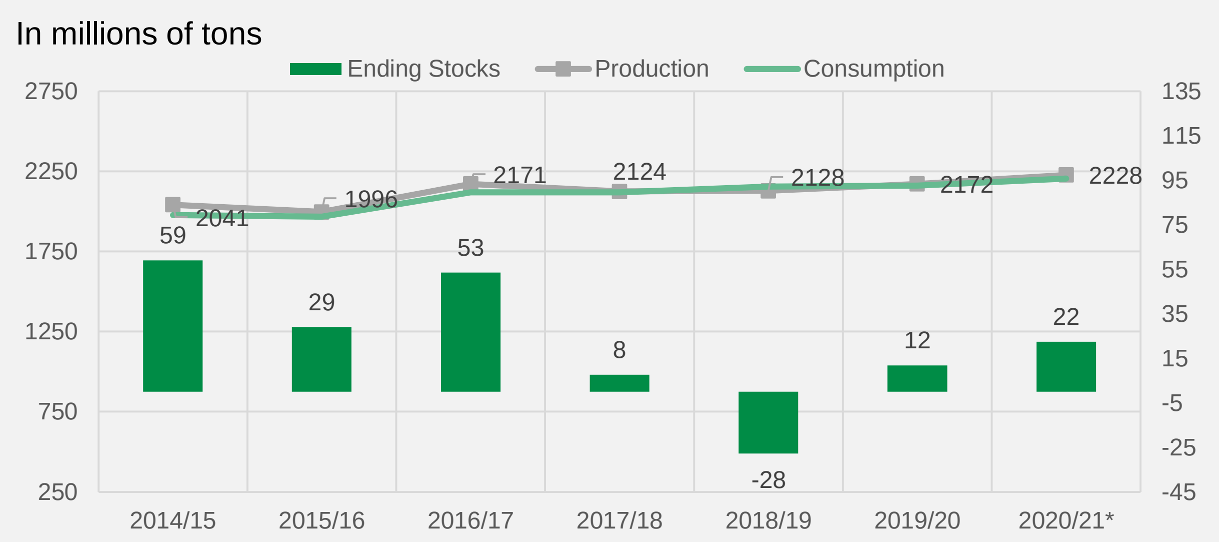
Agriculture Segment 1-6/2020
Market developments – agricultural products

Agri commodities price trend[1]



- Positive global harvest and inventory forecasts in June temporarily push grain prices down further; large supply of corn
- Agricultural commodities prices under pressure from Corona and very low oil prices
- Short-lived increase in the price of soy meal due to the low supply of feedstuff; slow demand for biodiesel causes the rapeseed prices to collapse

Global grain balance (excl. rice; July 2020)[2]

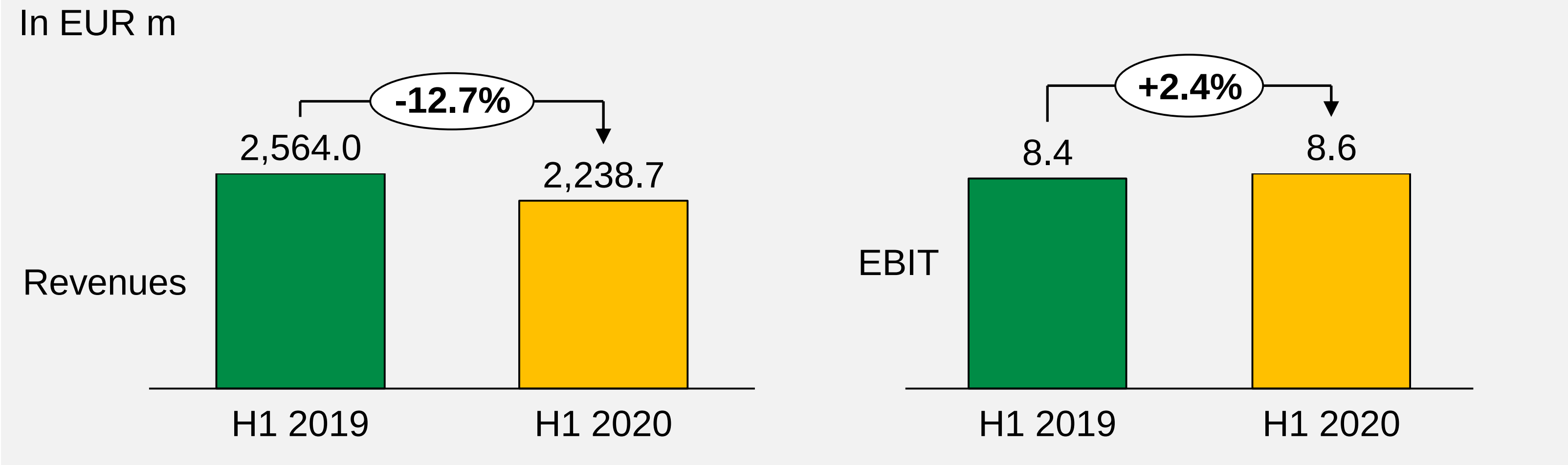


- Around 2,228 million tons (+2.6% y/y) anticipated for the global crop year 2020/21
- German grain harvest 2020/21 anticipated at previous year's level (ca 45.0 million tons); large corn harvest anticipated in Austria
- Global oil seed production of 604 million tons in 2020/21 likely to exceed the previous year by 4.7%; oilseed expected at 2.6% higher y/y

Sources: 1) MATIF and CBOT exchanges; 2) USDA; * forecast 2020/21, as of July 2020

Agriculture Segment 1-6/2020: BAST
Revenues and EBIT as against the previous year

BAST



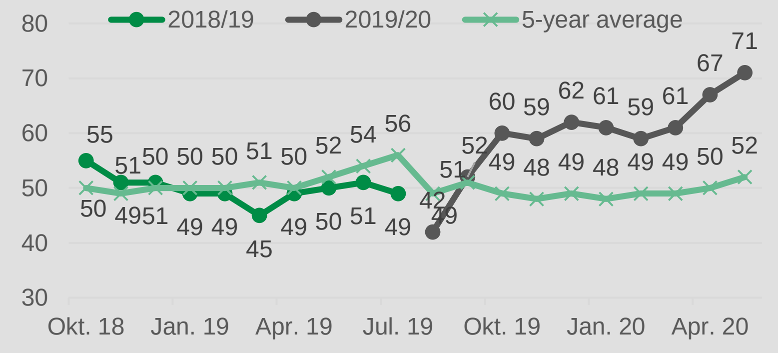
- Revenues: ∆ 19/20 EUR -325.3 million
- EBIT: ∆ 19/20 EUR +0.2 million
- Volume-induced decline in revenues (-14% y/y) driven by restrictions on trading activities in southern Europe and discontinuation of the Iran business (BMTI)
- Result slightly higher than in the previous year on the back of stable development in speciality trading
- Trade dispute between China and US hampers trading in soy meal; higher imports from US trigger price pressure in Europe
- Supply chains prove effective, also during the Corona crisis

Agriculture Segment 1-6/2020
Market development Global Produce, Inputs, Equipment

Global Produce

- Good product availability of all types of fruit during the Corona crisis
- NZ apple production expected to grow by 5.8% y/y in 2020 – better fruit quality due to weather conditions
- Low apple stocks and increased demand during the lockdown send prices up
- Apple prices in Germany 37% above the 5-year average

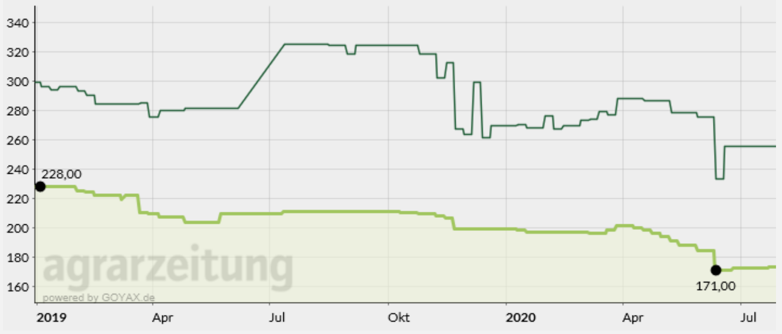
In euro cent / kilo



Source: EU apple dashboard

Input Resources

- Weak demand due to regulatory framework environment and unfavourable weather conditions
- Low energy costs lead to decline in the price of fertilisers
- Fertiliser prices in H1 on average below previous year's period: CAN (-12.0% y/y); Urea (-6.6% y/y)



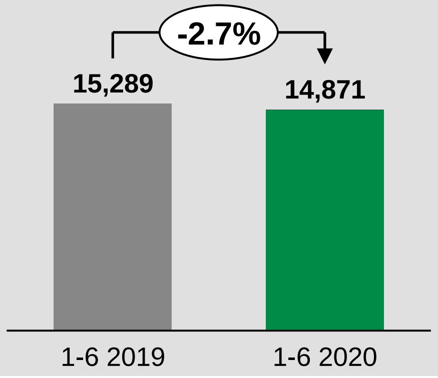
= Calcium Ammonium Nitrate (CAN), Baltic Sea Ports

= Urea, Baltic Sea Ports

Source: Agrarzeitung

Agricultural Equipment

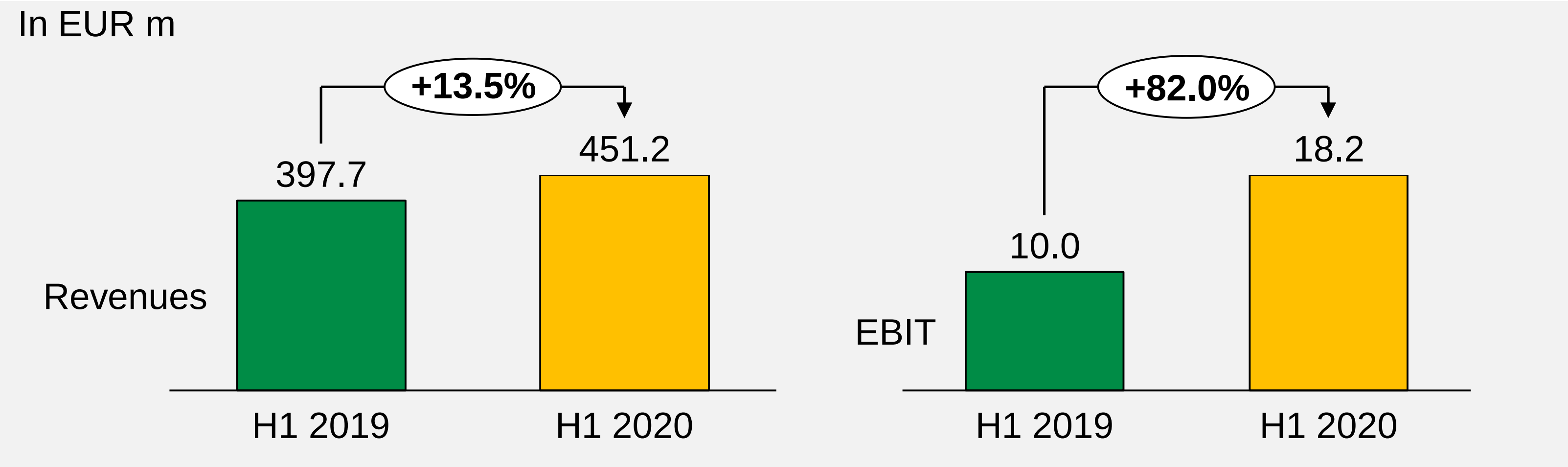
- Economic barometer trending up since the start of the year; marginally lower than in the previous year
- Farmers' planned investment volume of EUR 3.9 billion slightly lower y/y
- Investments in machinery and equipment likely to edge up in the second half-year
- New tractor registrations in Germany from January to March 2020 down 2.7% y/y:



Source: VDMA

Agriculture Segment 1-6/2020: Global Produce Revenues and EBIT as against the previous year

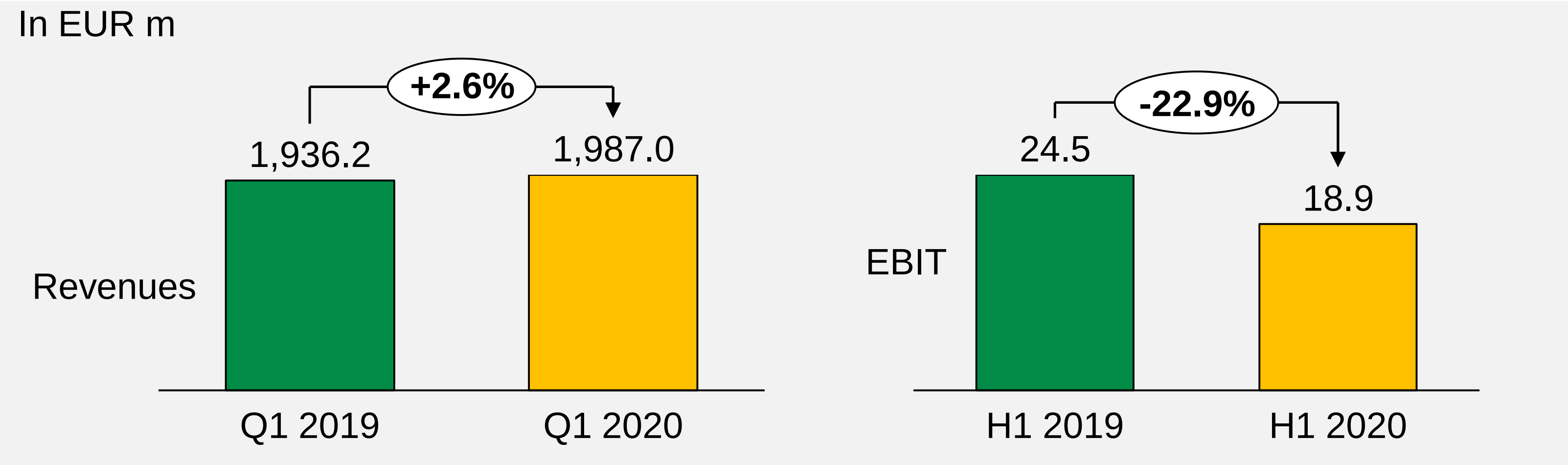
Global Produce



- Revenues: ∆ 19/20 EUR +53.5 million
- EBIT: ∆ 19/20 EUR +8.2 million
- Volume- and price-induced increase in revenues
- Germany: inventories (apples) sold at above-average selling prices
- T&G Global: better start to the selling season in New Zealand; apples sold at higher prices due to better fruit quality
- TFC: despite the lockdown, benefits from high goods availability and strong demand for exotic fruits across the whole range
- Proportionate earnings contribution through Freshmax fruit trader (consolidated as from May; approx. EUR 500 tsd.)

Agriculture Segment 1-6/2020: Agri Trade & Service Revenues and EBIT as against the previous year

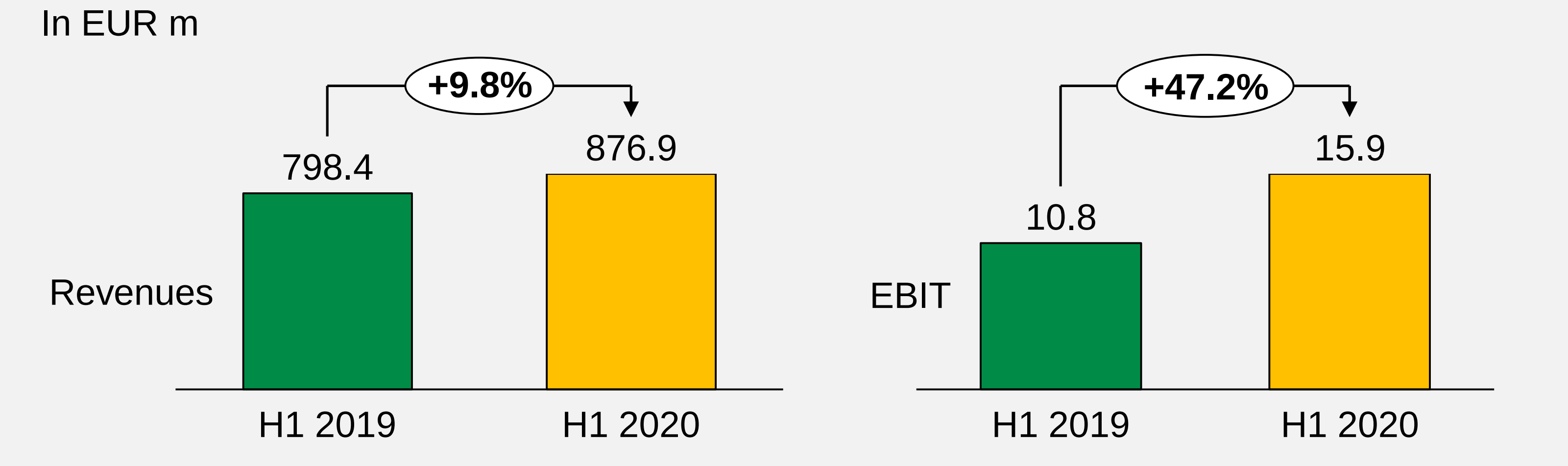
Agri Trade & Service



- Revenues: ∆ 19/20 EUR +50.8 million
- EBIT: ∆ 19/20 EUR -5.6 million
- Volume-induced increase in revenues, above all with grain products
- Earnings decline from lower trading margins for products and operating resources; higher logistic costs due to Corona
- Decline in crude oil prices triggers drop in prices for fertilisers
- Road salt business generally fails to materialise due to mild winter; collapse in demand for hops due to global lockdown

Agriculture Segment 1-6/2020: Ag. Equipment Revenues and EBIT as against the previous year

Agricultural Equipment

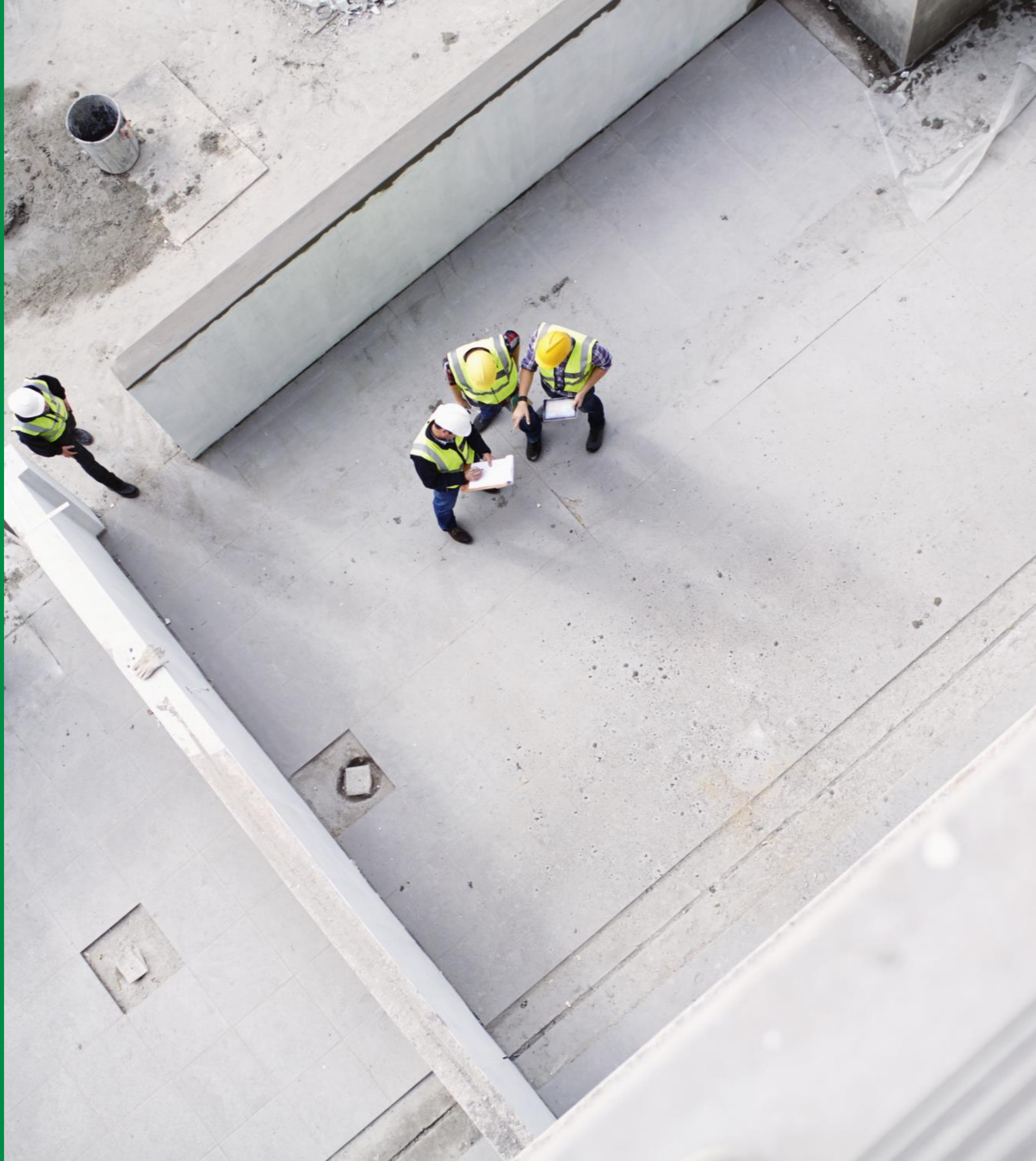


- Revenues: Δ 19/20 EUR +78.5 million
- EBIT: Δ 19/20 EUR +5.1 million
- Significant increase in revenues and earnings
- Business development benefits from increased demand for agricultural machinery
- Sales of used machinery +4.3% y/y and new machinery +17.9% y/y
- Inventories secure ability to deliver during the lockdown (plants of the CLAAS und Fendt brands partly closed)
- Good capacity utilisation in the service business

Financials Agriculture Segment 1-6/2020
Income Statement

in EUR m	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	∆19/20 (%)
Revenues	5,439.0	5,614.8	5,814.5	5,696.3	**5,553.8**	-2.5%
EBITDA	80.7	77.4	82.0	97.6	**109.0**	11.7%
% of Revenues	*1.5%*	*1.4%*	*1.4%*	*1.7%*	*2.0%*	
EBIT	53.5	48.3	52.4	53.6	**61.6**	14.9%
% of Revenues	*1.0%*	*0.9%*	*0.9%*	*0.9%*	*1.1%*	
EBT	25.7	23.2	27.3	26.0	**35.6**	36.9%
% of Revenues	*0.5%*	*0.4%*	*0.5%*	*0.5%*	*0.6%*	

Building Materials Segment



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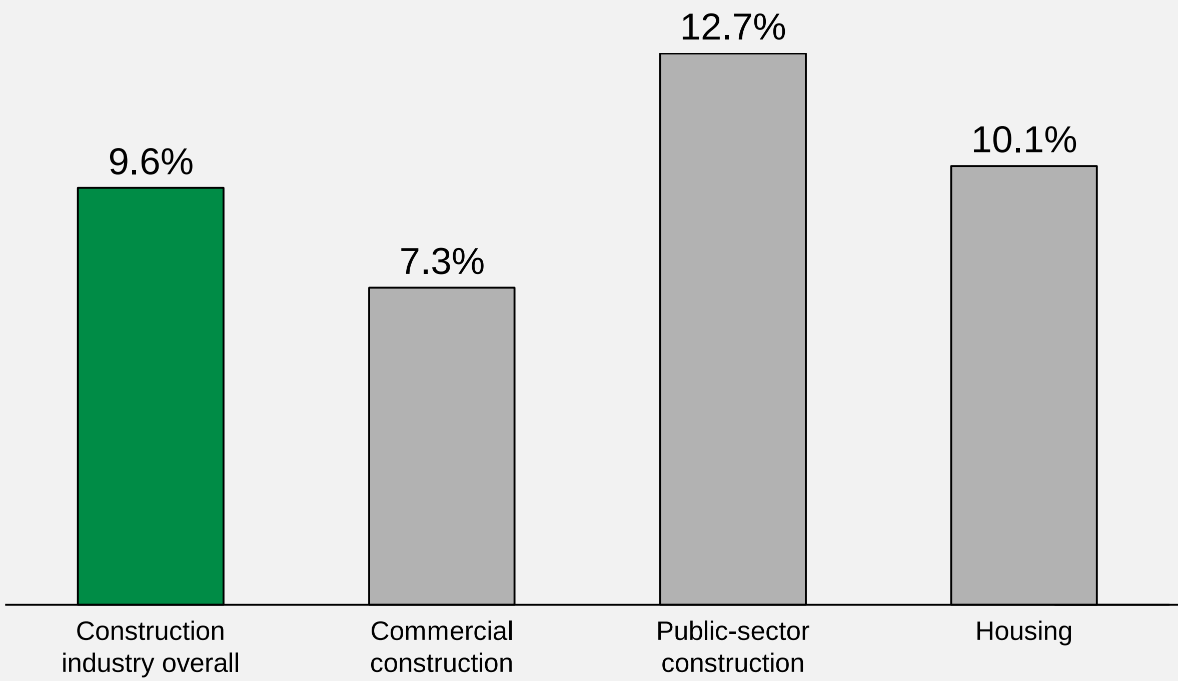
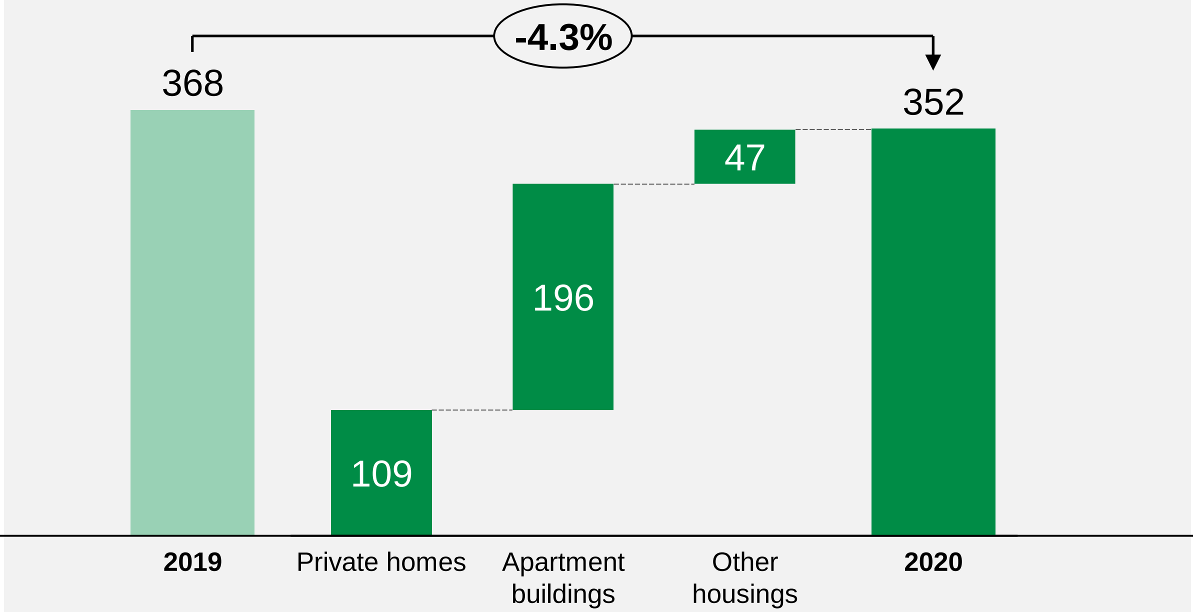
Building Materials Segment 1-6/2020
Market developments

Sales in the German construction industry 1-4/2020
in % vs 2019[1]



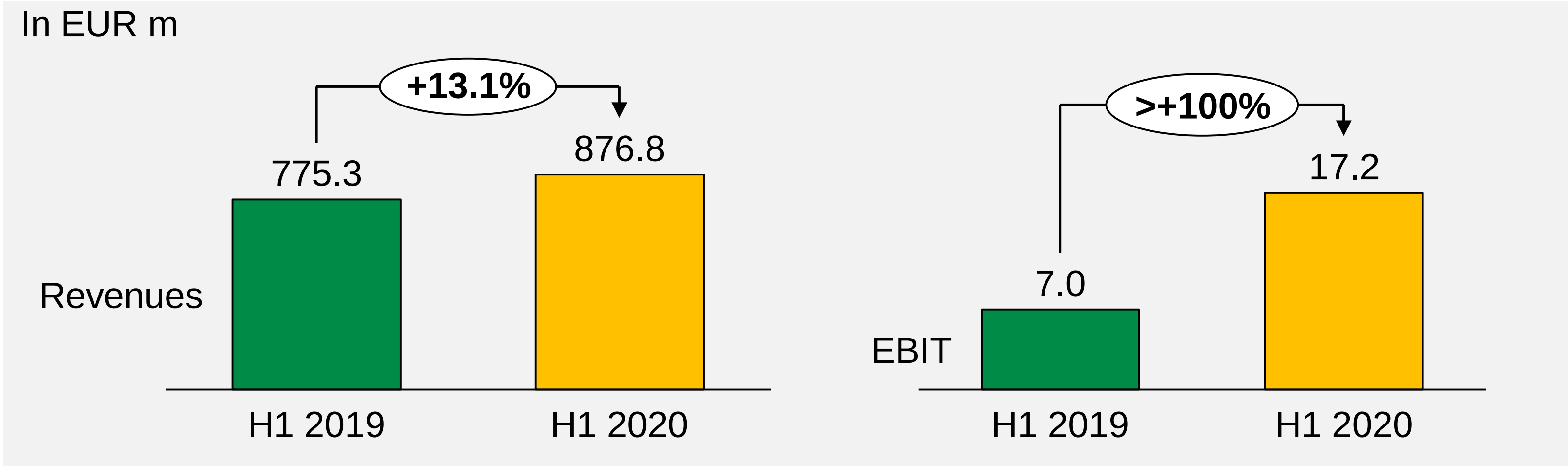
Building permissions in Germany Forecast 2020[2]
in 1,000



Source: 1) Hauptverband der deutschen Bauindustrie; 2) Heinze Marktbericht, July 2020

Building Materials Segment 1-6/2020
Revenues and EBIT as against the previous year

Building Materials



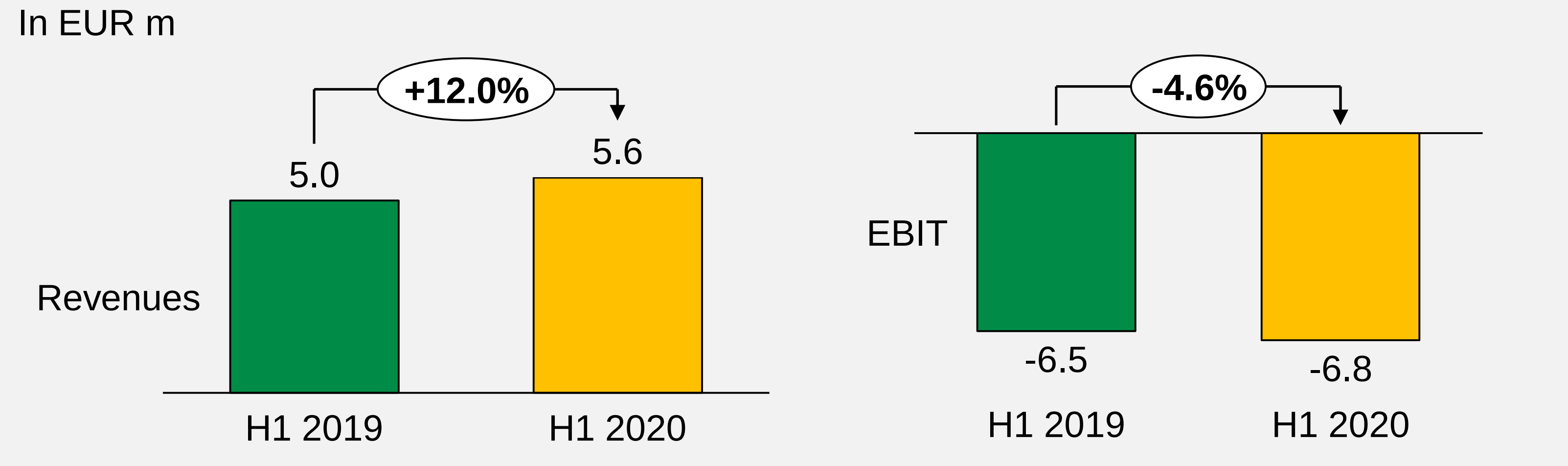
- Revenues: ∆ 19/20 EUR +101.5 million
- EBIT: ∆ 19/20 EUR +10.2 million
- Revenues and earnings increase from high capacity utilisation in the sector and good weather conditions
- No closure of domestic building materials locations as systemically relevant
- Lockdown stimulates e-commerce demand
- Loss of revenue from the closure of DIY and garden centres due to Corona in Austria more than compensated by above-average strong demand after reopening

Financials Building Materials Segment 1-6/2020
Income Statement

In EUR m	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	∆19/20 (%)
Revenues	732.5	753.6	797.7	775.3	**876.8**	13.1%
EBITDA	13.2	14.5	15.4	17.6	**30.7**	74.4%
% of Revenues	*1.8%*	*1.9%*	*1.9%*	*2.3%*	*3.5%*	
EBIT	5.6	6.8	7.4	7.0	**17.2**	> +100%
% of Revenues	*0.8%*	*0.9%*	*0.9%*	*0.9%*	*2.0%*	
EBT	-1.5	0.3	1.0	1.0	**10.9**	> +100%
% of Revenues	*-0.2%*	*0.0%*	*0.1%*	*0.1%*	*1.2%*	

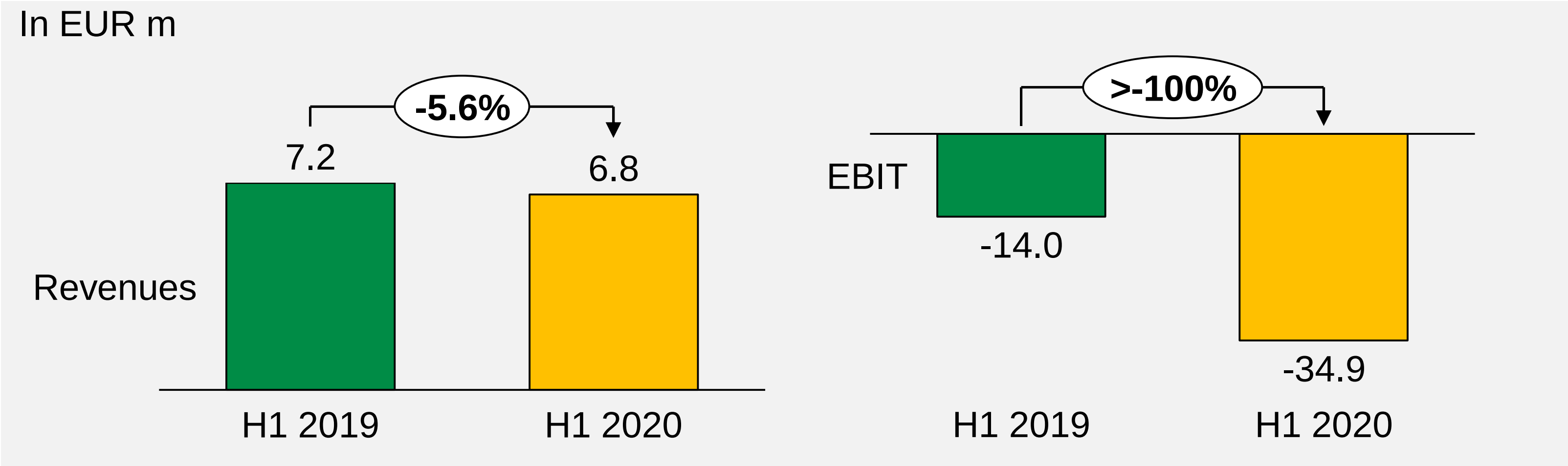
Innovation & Digitalisation Segment 1-6/2020
Revenues and EBIT as against the previous year

Digital Farming & eBusiness



- Revenues: Δ 19/20 EUR +0.6 million
- EBIT: Δ 19/20 EUR -0.3 million
- Order intake growth despite limited sales activities
- Positive development, especially in the area of soil samples
- Scheduled burden on earnings through high level of investments in digital farming solutions (software modules and hardware components in particular)

Other Activities 1-6/2020



- Revenues: Δ 19/20 EUR -0.4 million
- EBIT: Δ 19/20 EUR -20.9 million
- EBIT consists of administrative costs and consolidation effects; decline compared with year-earlier period caused by special effects
  - Hedging transactions for currency risks, restructuring expenses and lack of property sales
  - In the year-earlier period: sale of Kartoffel-Centrum Bayern GmbH (EUR 3.7 million), as well as bank dividends and income from investments (EUR 8 million) included
- Partial compensation expected in H2 (currency risks, real estate and potential bank dividends)
- Extra costs due to the Corona crisis partly compensated through lower admin costs

Group Financials

Group Financials 1-6/2020
Income Statement

in EUR m	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	Δ19/20 (%)
Revenues	7,456.4	8,044.0	8,270.4	8,410.6	**8,193.7**	-2.6%
EBITDA	116.6	138.6	96.9	155.1	**160.4**	3.4%
% of Revenues	*1.6%*	*1.7%*	*1.2%*	*1.8%*	*2.0%*	
EBIT	55.3	72.8	32.1	52.2	**53.8**	3.1%
% of Revenues	*0.7%*	*0.9%*	*0.4%*	*0.6%*	*0.7%*	
EBT	19.2	36.8	-1.6	2.6	**0.6**	-76.9%
% of Revenues	*0.3%*	*0.5%*	*0.0%*	*0.0%*	*0.0%*	
Consolidated net income	14.7	27.4	-1.1	1.9	**0.4**	-78.9%
Share of minority interest	14.5	12.3	15.9	10.9	**13.0**	19.3%
as % of net income	*98.6%*	*44.9%*	*> +100%*	*> +100%*	*> +100%*	
Share of owners of parent company	0.2	15.1	-17.0	-9.0	**-12.6**	-40.0%
as % of net income	*1.4%*	*55.1%*	*> -100%*	*> -100%*	*> -100%*	
Earnings per share (EPS) in EUR[1]	0.01	0.43	-0.49	-0.26	**-0.36**	-38.5%
Earnings per share (EPS) in EUR[2]				-0.44	**-0.54**	-22.7%

1) Earnings per share net of minority interest (prior to hybrid); 2) Earnings per share net of minority interest (after hybrid)

Group Financials 1-6/2020
Balance Sheet

In EUR m	H1 2016	H1 2017	H1 2018	H1 2019	GJ 2019	H1 2020	∆19/20 (%)
Total assets	6,581.3	6,698.7	7,100.9	8,453.9	**8,867.2**	**8,863.8**	0.0%
Equity	1,068.7	1,111.6	1,391.0	1,351.4	**1,358.6**	**1,312.6**	-3.4%
Equity ratio	*16.2%*	*16.6%*	*19.6%*	*16.0%*	**15.3%**	***14.8%***	
*Equity ratio adjusted**	*19.5%*	*20.3%*	*22.9%*	*18.7%*	**20.0%**	***18.1%***	

In EUR m	H1 2016	H1 2017	H1 2018	H1 2019	GJ 2019	H1 2020	∆19/20 (%)
Non-current assets	2,282.8	2,399.4	2,426.5	3,166.8	**3,276.6**	**3,268.1**	-0.3%
Current assets	4,266.2	4,277.5	4,562.0	5,237.8	**5,585.9**	**5,592.9**	0.1%
Provisions	875.2	924.2	984.4	942.5	**1,084.4**	**1,076.0**	-0.8%
Long-term debt (Ci**)	1,277.9	1,175.6	1,078.7	1,412.1	**1,301.1**	**1,313.8**	1.0%
Long-term leasing liabilities				782.0	**706.5**	**711.7**	0.7%
Short-term debt (Ci**)	1,328.8	1,588.7	1,489.6	1,704.7	**2,313.6**	**2,089.7**	-9.7%
Short-term leasing liabilities				22.2	**68.2**	**61.8**	-9.4%

* Adjusted for the reserve formed for actuarial profits and losses
**Ci = Credit institute

Group Financials
Cash Flow Statement

in EUR m	H1 2016	H1 2017	H1 2018	H1 2019	H1 2020	Δ19/20 (%)
Cash earnings	57.3	86.3	40.1	151.9	**147.2**	-3.1%
Cash flow from operating activities	60.3	296.7	157.4	217.6	**232.3**	6.8%
Cash flow from investing activities	-80.5	-52.2	-59.8	-102.7	**-81.3**	20.8%
Cash flow from financing activities	19.4	-115.5	-76.0	-102.2	**-219.3**	> -100%
Cash & cash equivalents at the start of the period	84.5	104.4	105.5	120.6	**229.7**	90.5%
Cash & cash equivalents at the end of the period	84.1	234.6	126.2	133.4	**159.5**	19.6%

Operational Outlook for FY 2020

Operational Outlook 2020
Energy Segment



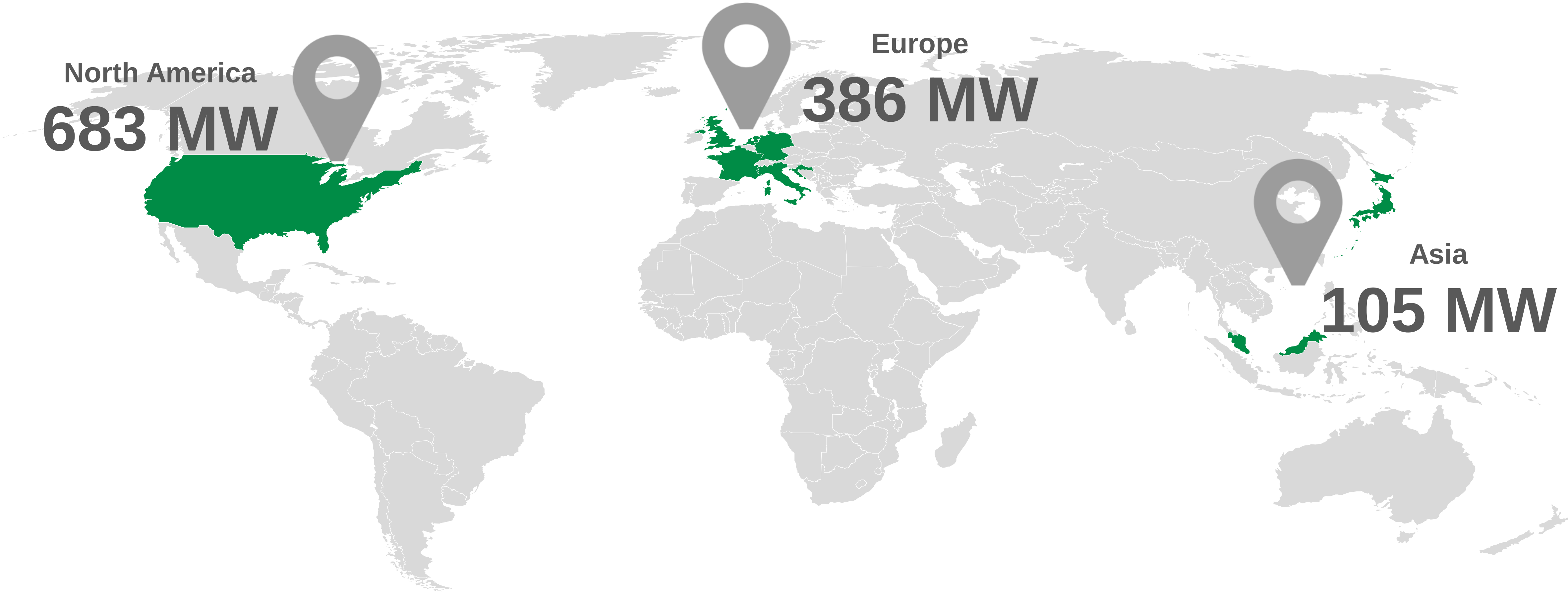
- Project sales of more than 1 GW planned, most of which in the final quarter
- Uptrend in sales from trading in PV components expected to continue
- Additional purchase stimulus through the removal of the solar cap

→ Rise in earnings anticipated in the second half year

- Growth momentum for heat energy carriers likely to slow after the strong first half year
- Greater demand for lubricants and fuels anticipated in the second half year due to the easing of the lockdown, nevertheless below year-earlier level
- Positive stimulus through the expansion of the new BayWa Mobility Solutions business (LNG fuel stations)

→ Adjusted for the earnings contribution from TESSOL in the previous year, high year-earlier result achieved in the conventional energy business is likely to be exceeded

Energy Segment 2019: Renewable Energies
Project sales BayWa r.e. 2020: almost 1.2 GW



Operational Outlook 2020
Agriculture Segment




- Recovery of the agricultural commodity markets and increase in selling activities anticipated in southern Europe
- Catching-up effects possible in the speciality business as some transactions delayed due to Corona
- Global Produce: greater area for cultivating apples (+4%) in New Zealand and the inclusion of Freshmax raise the sales volume; higher earnings margins planned compared with the previous year as fruit quality much better
- Slight recovery in the collection and sales volumes of grain and oilseed anticipated in Germany
- Good weather conditions in BayWa's core regions could favour the harvest in terms of volumes and quantities; opportunity for domestic produce trading
- Low price level for operating resources likely to encourage greater stockpiling by farmers
- Agricultural Equipment: return to normal levels in the second half year; additional purchase impetus possible from lowering value added tax

→ Results expected to be higher than in the previous year despite the Corona crisis

Operational Outlook 2020
Building Materials Segment




- High order backlog of the companies in the sector, as well as ongoing construction boom suggest continued strong demand for building materials
- Positive stimulus from sustained low interest rate level and value added tax reduction
- Greater investments in the home (renovation) instead of vacation (influence of Corona)
- Optimisation of the online range of products likely to boost demand
- Ongoing expansion of higher-margin own brand product range
- Earnings contributions from project business in the second half of the year (Schrobenhausen, Burgkirchen and Borna near Leipzig)
- Burden from provision at WHG

→ Further increase in earnings anticipated

BayWa

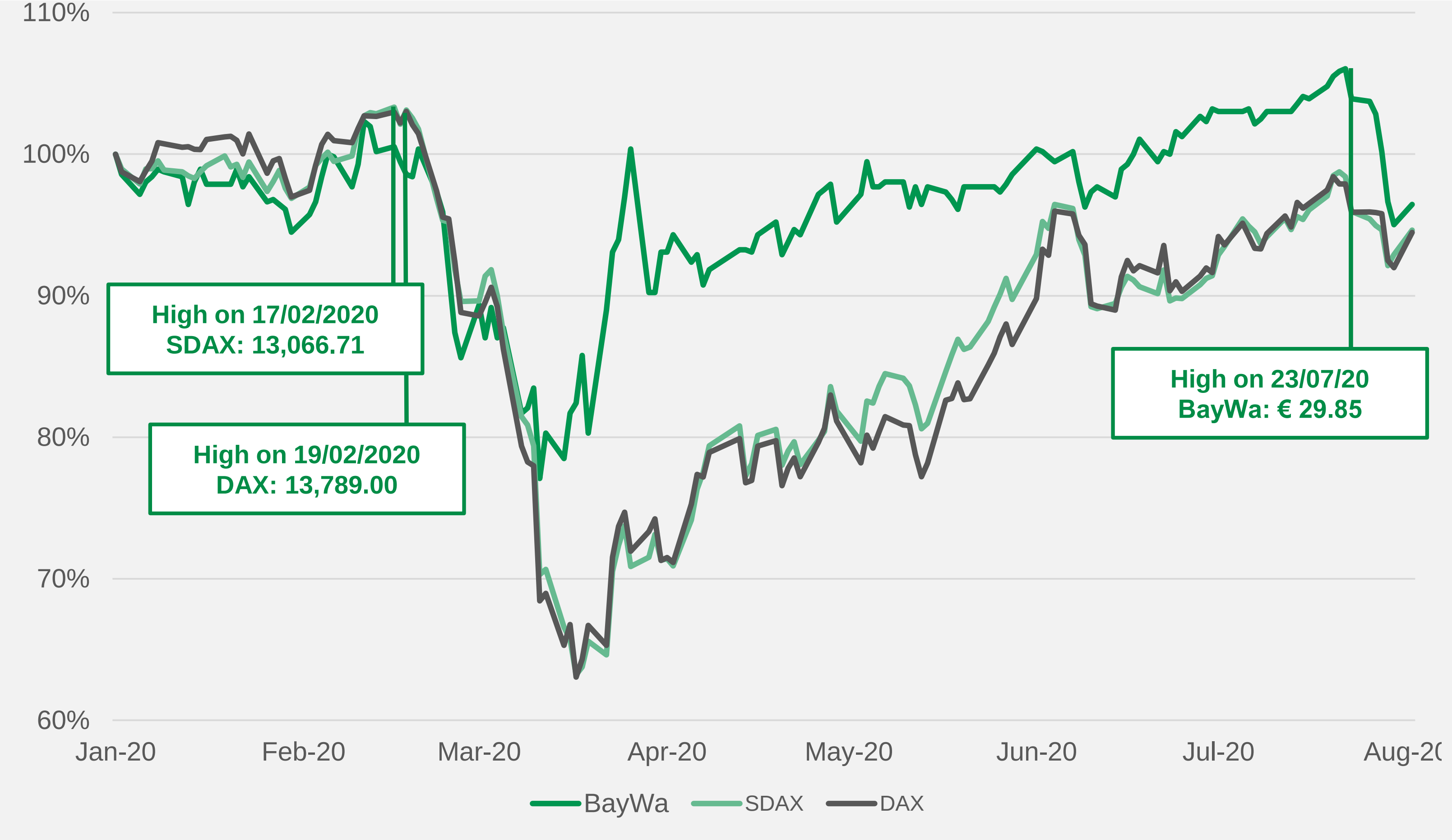
Thank you for your attention!

BayWa

United for success.

BayWa Share 2019/20

The BayWa share 2020:
Price performance compared with the SDAX and DAX



03 August 2020:
performance & closing prices[1]

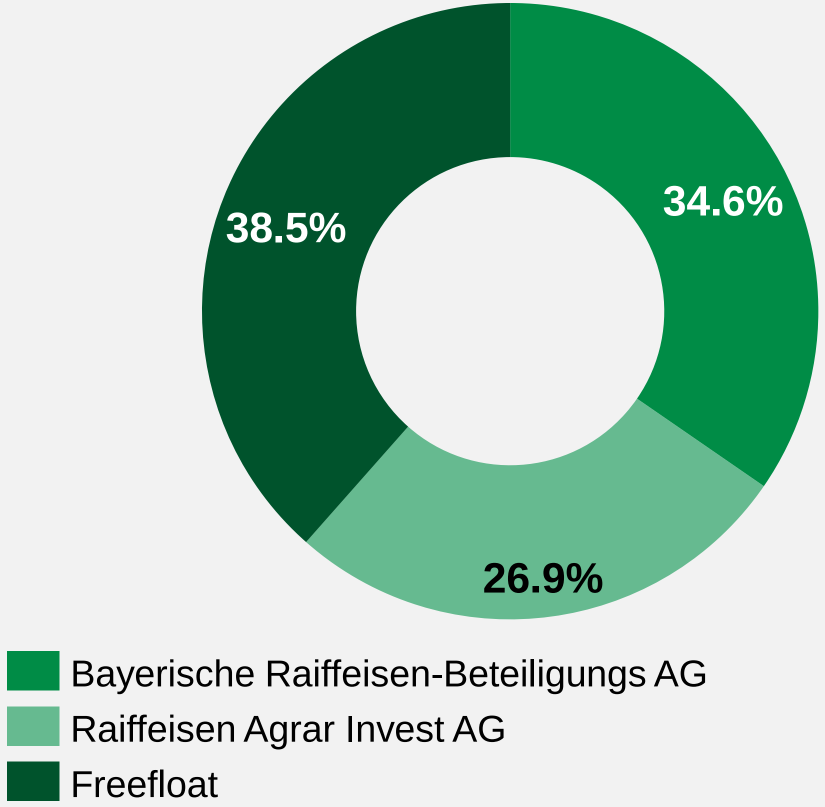
BayWa -3,6%	**€27.15** closing price
SDAX[2] -5,4%	**11,966.96*** closing price
DAX -5,5%	**12,646.98*** closing price

* points

Source: 1) Frankfurt Stock Exchange; 2) finanzen.net

BayWa Share 2020

Shareholder structure (30/06/2020)



BayWa share profile (30/06/2020)

Stock exchanges	Frankfurt, Munich, Xetra
Segment	Official Market / Prime Standard
Security code	no. 519406 and 519400
ISIN	DE0005194062 and DE0005194005
Share capital	EUR 90,314,398.72
Number of shares	35,279,062
Denomination	No-par value shares with an arithmetical portion of € 2.56 each in the share capital
Securitisation	In the form of a global certificate deposited with Clearstream Banking AG. Shareholders participate as co-owners corresponding to the number of shares held (collective custody account)

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Financial Calendar 2020/21

6th August – ANALYST CONFERENCE CALL Q2

12th November – ANALYST CONFERENCE CALL Q3

2021

26th March – ANALYST CONFERENCE, Munich

6th May – ANALYST CONFERENCE CALL Q1