

BayWa

Quarterly Financial Statements as per 30 September 2020 Conference Call

Munich, 12 November 2020

Prof. Klaus Josef Lutz, CEO
Andreas Helber, CFO



Agenda

1. Development of the Group 1-9/2020
2. Development of the Segments 1-9/2020
3. Group Financials 1-9/2020
4. Outlook for FY 2020

Appendix

Development of the Group

1-9/2020

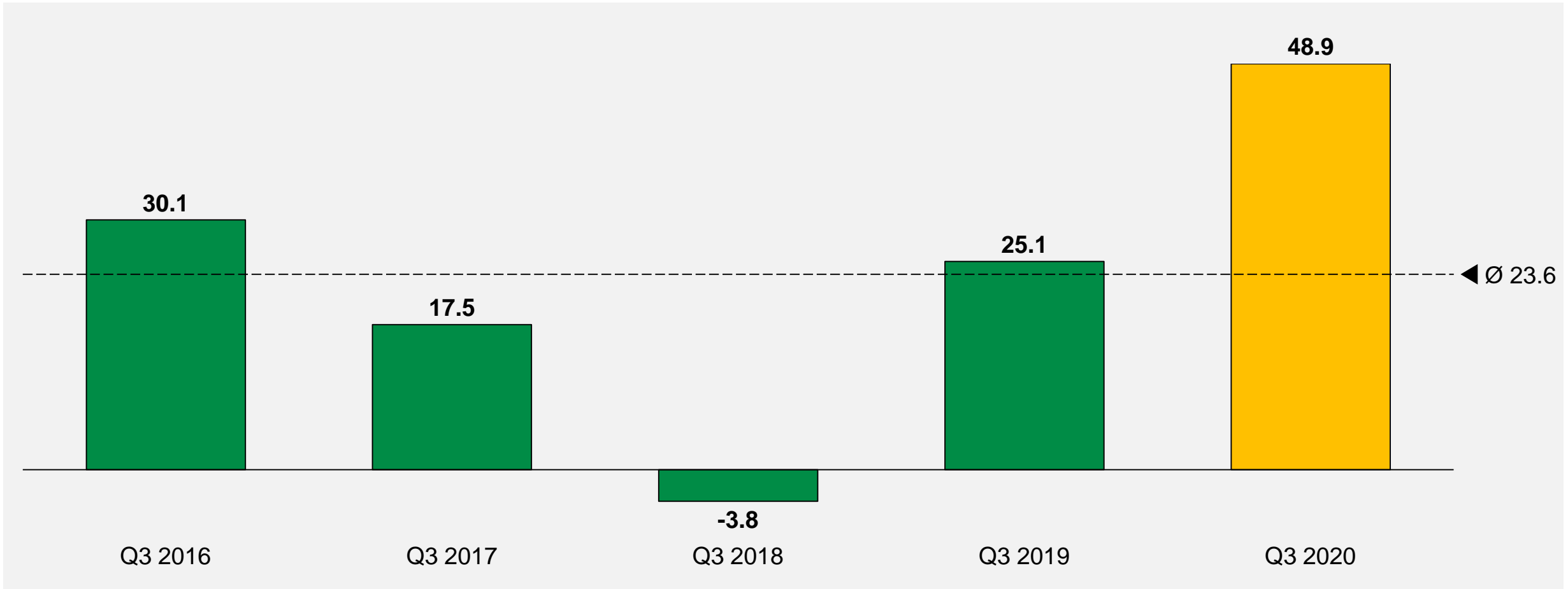
Development of the Group 1-9/2020 Summary



- Slight decline in revenues due to disposal of TESSOL
- Above-average, strong third quarter: significant earnings improvement supported by all three operating segments
- Burdens of around EUR 18 million from Corona (direct and indirect) absorbed in the reporting period
- Extraordinary income in the previous year (sale of Kartoffel-Centrum Bayern GmbH for EUR 3.9 million and AHG-Autohandelsgesellschaft mbh for EUR 3.1 million) compensated
- BayWa r.e.: large majority of project sales to take place in Q4

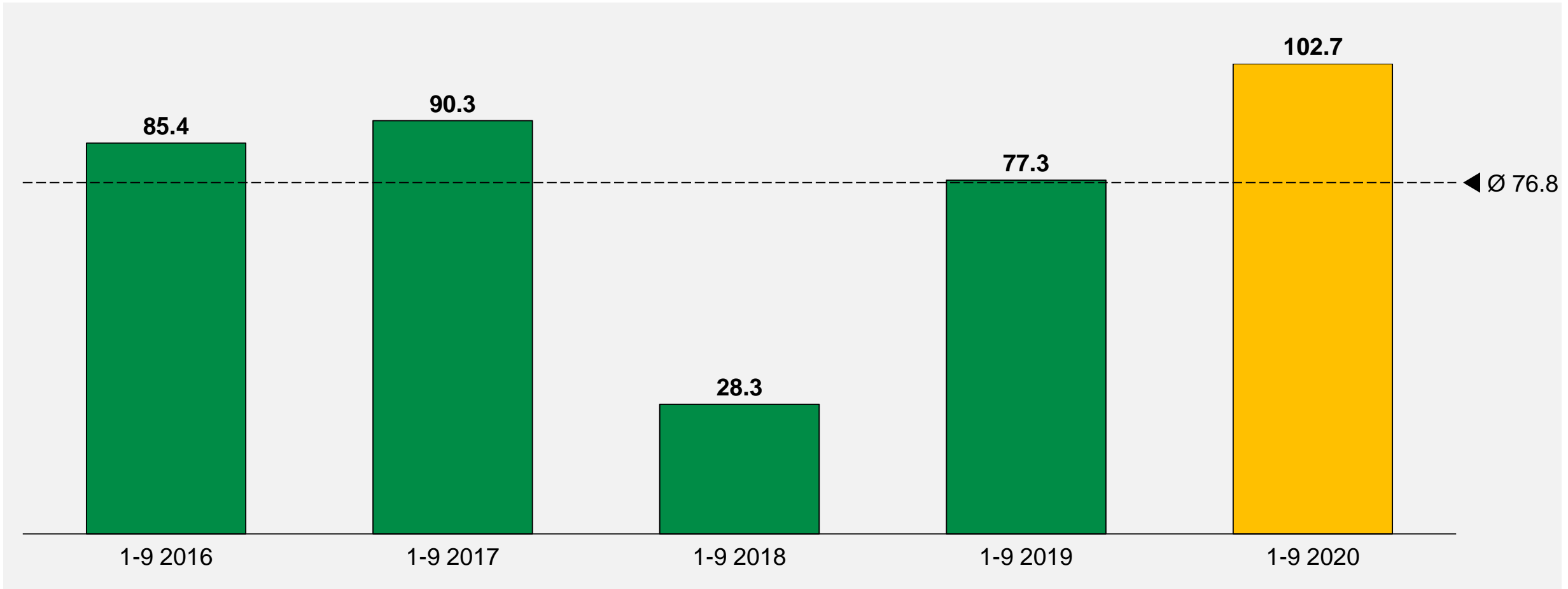
Development of the Group Q3/2020

Multi-year comparison of EBIT



Development of the Group 1-9/2020

Multi-year comparison of EBIT



Energy Segment

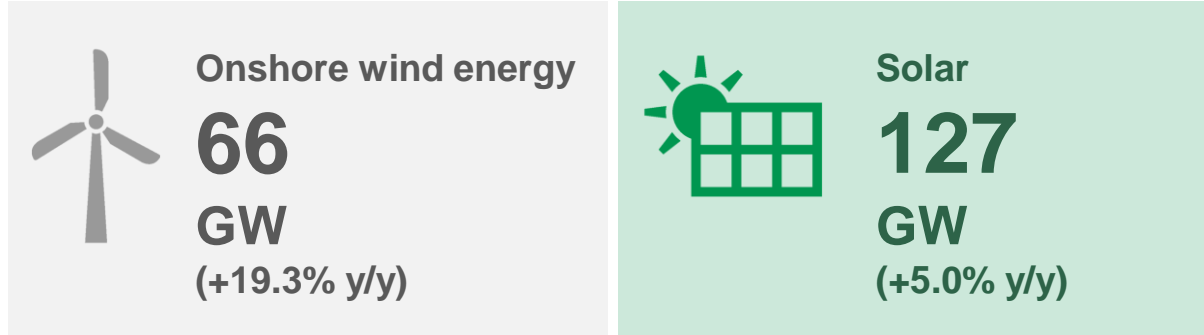


Energy Segment 1-9/2020

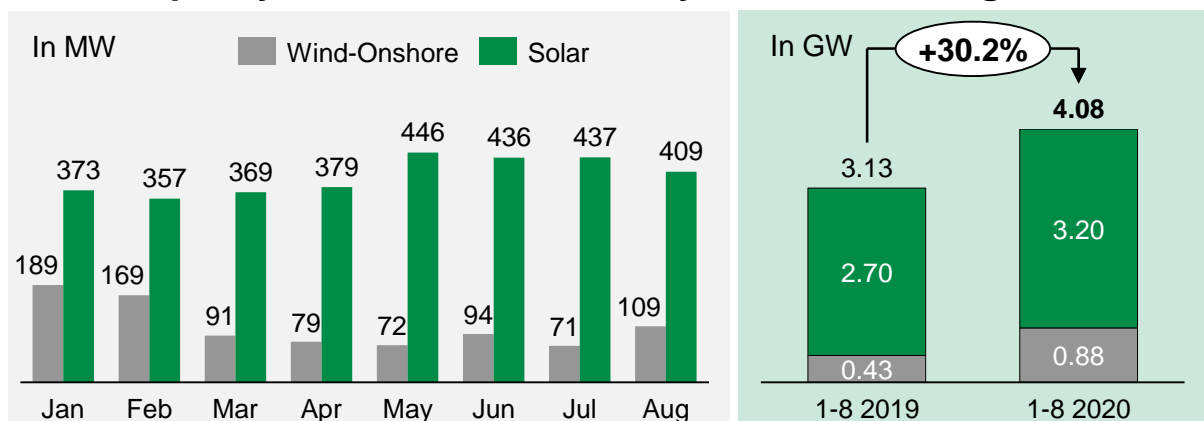
Market developments

Renewable Energies

Forecast for global capacity installation in 2020¹

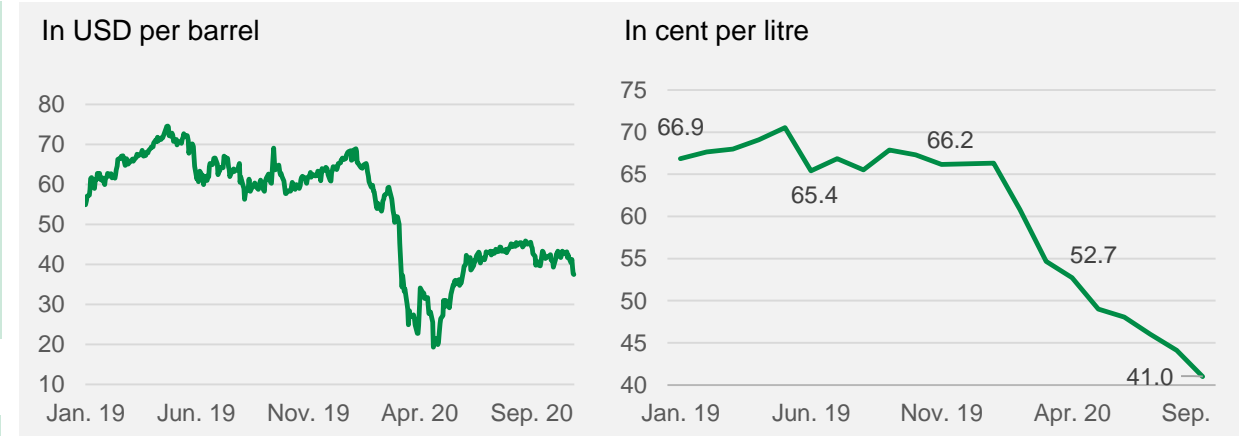


Gross capacity installation in Germany from Jan. to Aug. 2020²

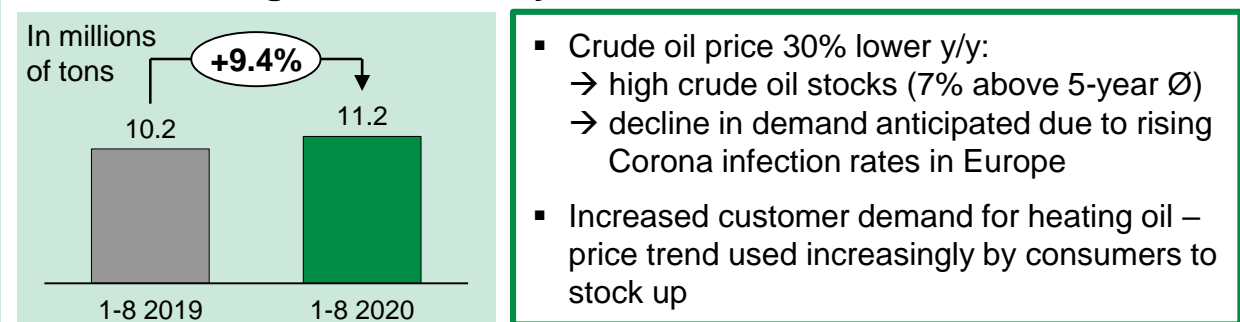


Conventional Energy

Brent crude oil price³ and heating oil price trend in Germany⁴



Sale of heating oil in Germany⁵



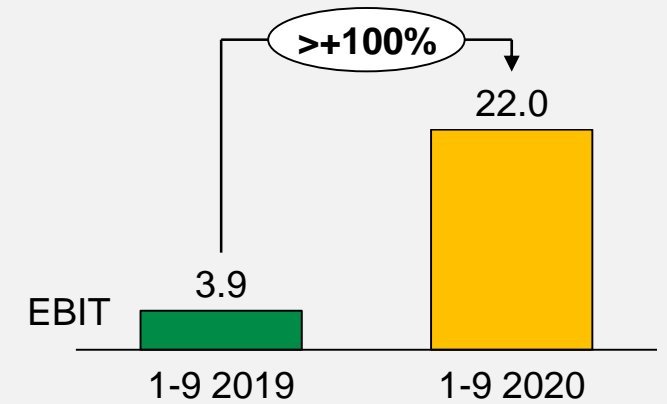
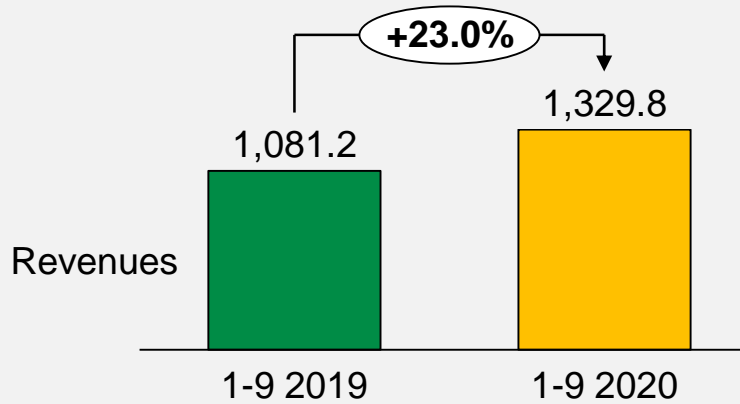
Sources: 1) BNEF; 2) Bundesnetzagentur; 3) finanzen.net 4) Statista; 5) BAFA, as of August 2020

Energy Segment 1-9/2020: Renewable Energies Revenues and EBIT as against the previous year

Renewable Energies



In EUR m



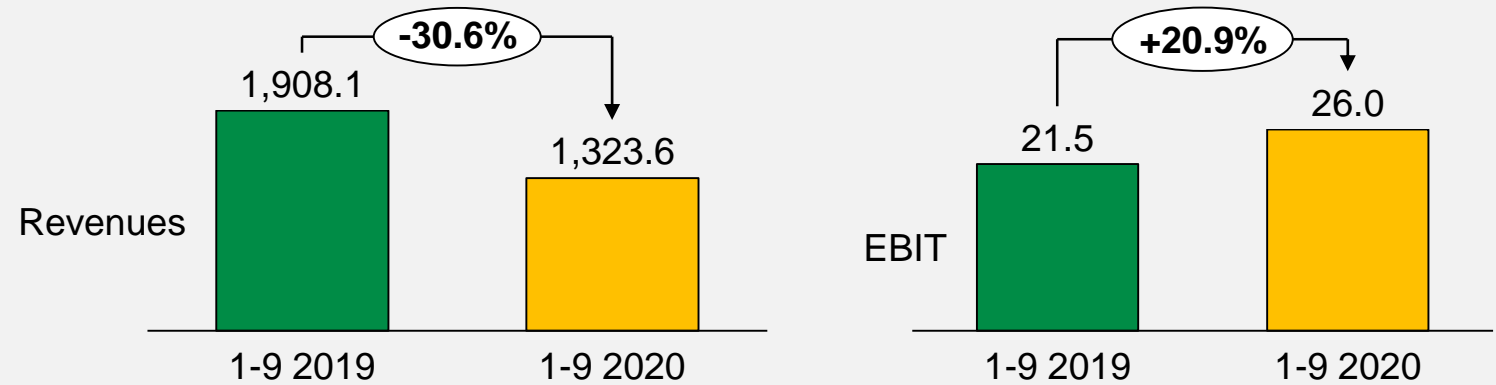
- Revenues: Δ 19/20 EUR +248.6 million
- EBIT: Δ 19/20 EUR +18.1 million
- Significant increase in revenues and earnings through successful realisation of several international project sales
 - 2 wind farms (4.7 MW – Schönberg 2, Germany; 9.0 MW – Le Champ Grand, France)
 - 1 solar park (38.9 MW – Gebeng, Malaysia)
- Extensive trading in PV components:
 - PV modules sold +29.8% y/y; converters sold +33.6% y/y

Energy Segment 1-9/2020: Conventional Energy Revenues and EBIT as against the previous year

Conventional Energy



In EUR m



- Revenues: Δ 19/20 EUR -584.5 millions
- EBIT: Δ 19/20 EUR +4.5 millions
- Price-induced decline in revenues and disposal of TESSOL (around EUR 290 million)
- Uptrend in heating oil sales (+27.8% y/y), wood pellets (+7.8% y/y) and lubricants (+16.9% y/y); decline in fuels (-11.7% y/y)
- Price drops of heat energy carriers used by consumers to stock up
- Upfront buying effects due to VAT reduction and imminent CO₂ tax (2021)
- Significant increase in earnings from above-average sale of heat energy carriers

Financials Energy Segment 1-9/2020

Income Statement

in EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	1-9 2020	Δ19/20 (%)
Revenues	2,070.6	2,500.5	2,583.7	2,989.3	2,653.4	-11.2%
EBITDA	81.8	87.3	9.0	51.3	82.2	60.2%
<i>% of Revenues</i>	4.0%	3.5%	0.3%	1.7%	3.1%	
EBIT	57.7	63.0	-10.1	25.4	48.0	89.0%
<i>% of Revenues</i>	2.8%	2.5%	-0.4%	0.8%	1.8%	
EBT	47.4	48.5	-24.6	-10.6	9.2	> 100%
<i>% of Revenues</i>	2.3%	1.9%	-1.0%	-0.4%	0.3%	

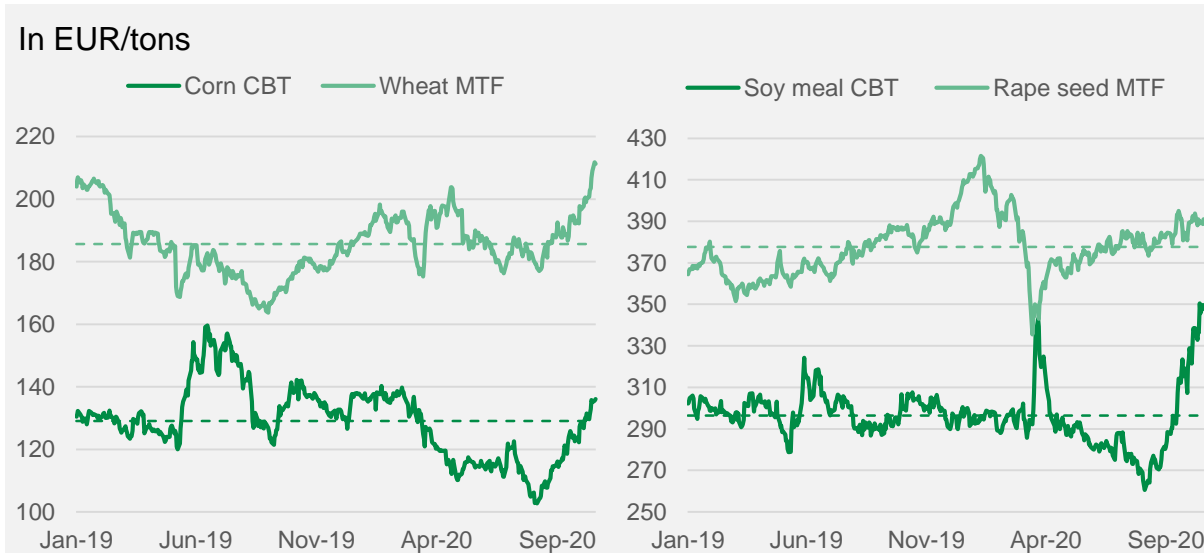
Agriculture Segment



Agriculture Segment 1-9/2020

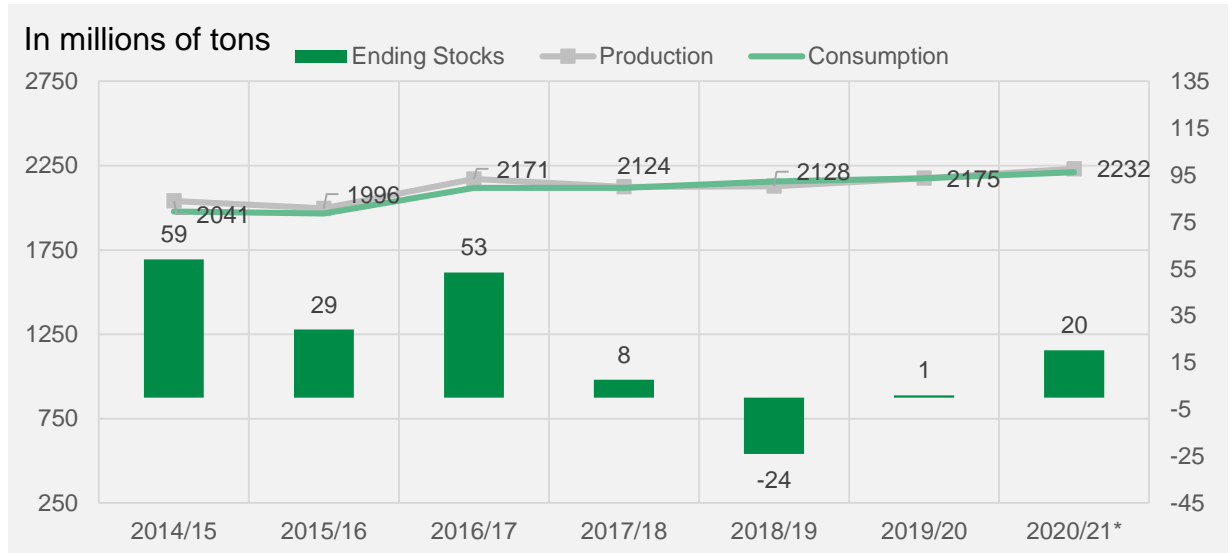
Market developments – agricultural products

Agri commodities price trend¹



- Price rally on the agricultural commodities markets:
 - Lower harvest anticipated due to drought in many global growing areas, (e.g. Black Sea region) results in less willingness to part from the old harvest
 - At the same time, strong demand for feedstuff grain from China due to recovery in pig livestock

Global grain balance (excl. rice; October 2020)²



- Around 2,232 million tons (+2.6% y/y) anticipated for the global crop year 2020/21
- German grain harvest 2020 anticipated at around 42.9 million tons (-3.1% y/y) slightly under previous year's level
- Global oil seed production of 606 million tons in 2020/21 likely to exceed the previous year by 5.0%; oilseed meal expected to be 2.6% higher y/y

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

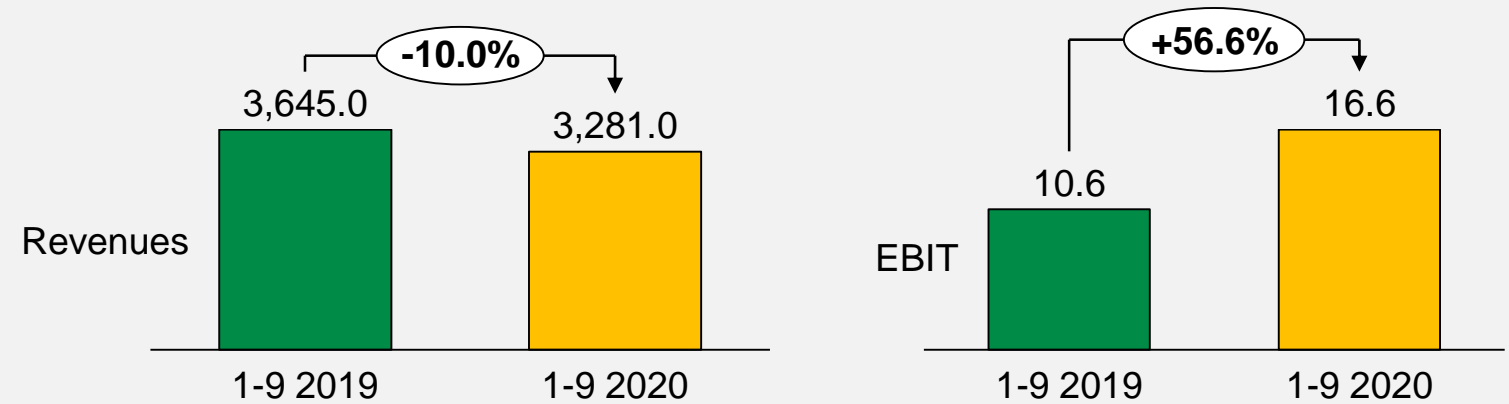
Agriculture Segment 1-9/2020: BAST

Revenues and EBIT as against the previous year

BAST 



In EUR m



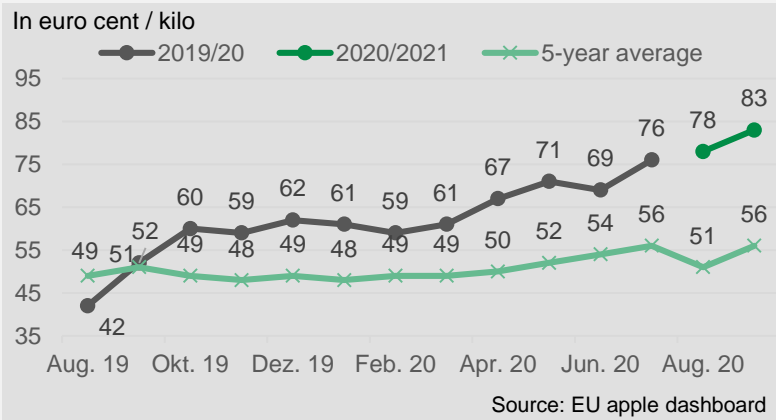
- Revenues: Δ 19/20 EUR -364.0 million
- EBIT: Δ 19/20 EUR +6.0 million
- Volume-induced decline in revenues partly due to restricted trading activities because of Corona (-5.4% y/y)
- Significant earnings increase; business unit benefits from price rally and can compensate for lower sales volumes through higher margins
- Catch-up effects in the speciality trade in Q3 as individual trading transactions in Q2 were delayed due to Corona

Agriculture Segment 1-9/2020

Market development Global Produce, Inputs, Equipment

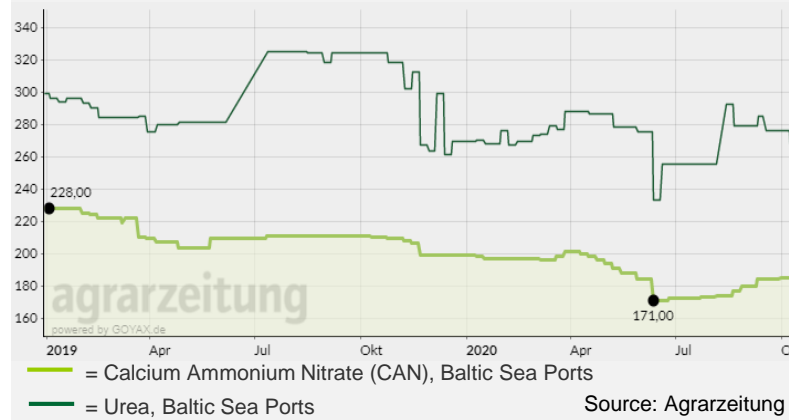
Global Produce

- NZ 2020 apple production above previous year (+6% y/y) – better fruit quality due to weather conditions
- Weak European apple harvest and emptied warehouses at the start of the season result in rising prices
- Apple prices in Germany 48% above the 5-year average in September



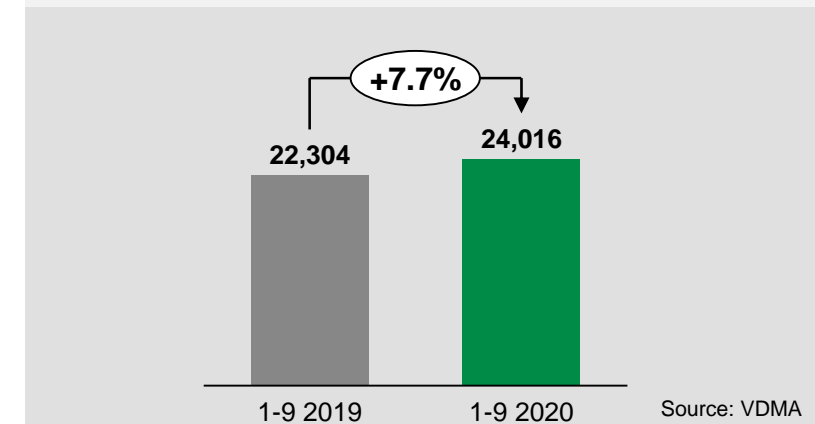
Input Resources

- Weak demand due to regulatory framework environment and unfavourable weather conditions
- Low energy costs lead to plunge in the price of fertilisers
- Fertiliser prices in the reporting period below previous year's period on average: CAN (-13% y/y); urea (-9% y/y)



Agricultural Equipment

- Economic barometer slightly higher y/y
- Farmers' planned investment volume of EUR 5.0 billion slightly lower y/y
- Investment in yard and stable equipment in decline
- New registrations of tractors in Germany up 7.7% y/y from January to September 2020

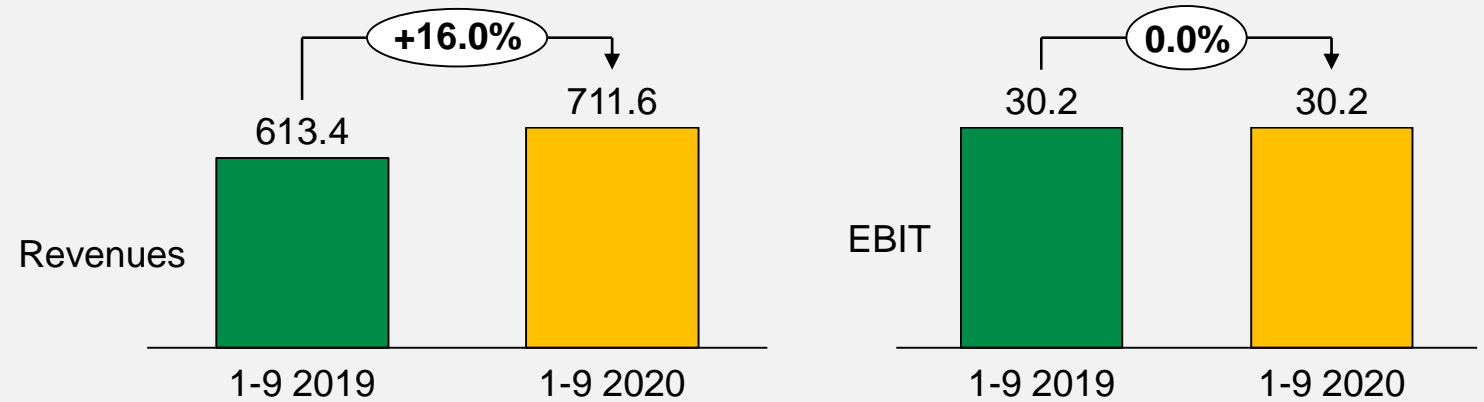


Agriculture Segment 1-9/2020: Global Produce Revenues and EBIT as against the previous year

Global Produce 🍏



In EUR m



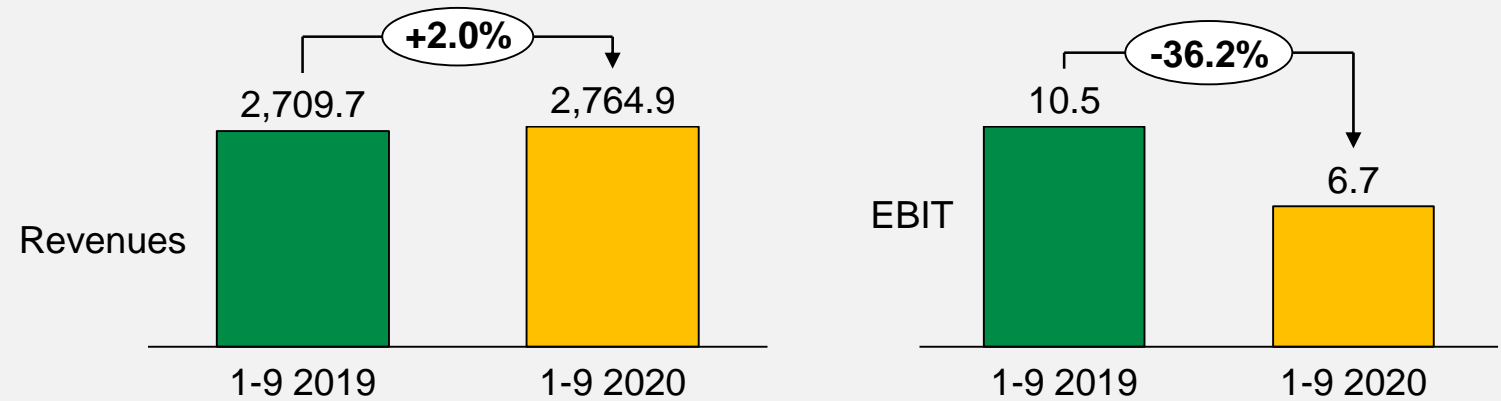
- Revenues: Δ 19/20 EUR +98.2 million
- EBIT: Δ 19/20 EUR +0.0 million
- Volume- and price-induced increase in revenues
- Germany: good start to domestic sale of apples at above-average prices
- T&G Global: above-average harvest and strong export business mark the start of the country's apple season
- Proportionate earnings contribution through Freshmax fruit trader (consolidated as from May; around EUR 2.5 million)
- Special effect (disposal of real estate) in the previous year fully compensated by operating result

Agriculture Segment 1-9/2020: Agri Trade & Service Revenues and EBIT as against the previous year

Agri Trade & Service



In EUR m



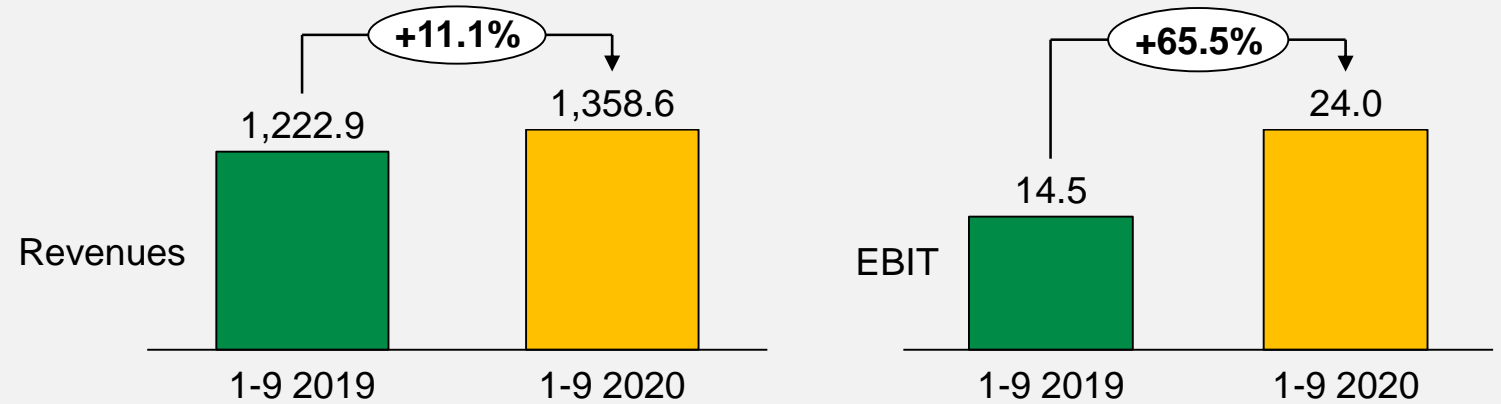
- Revenues: Δ 19/20 EUR +55.2 million
- EBIT: Δ 19/20 EUR -3.8 million
- Volume-induced increase in revenues
- Slight increase in collection volumes of grain; the respective trading contracts will be taken up in the months ahead and recognised in earnings
- Earnings decline from lower trading margins and less demand for operating resources
 - Fertiliser prices under sustained pressure from low crude oil prices
 - Crop protection: weak demand, above all for herbicides due to the dry weather
- Decline in the consumption of beer leads to slump in demand for hops

Agriculture Segment 1-9/2020: Agricultural Equipment Revenues and EBIT as against the previous year

Agricultural Equipment



In EUR m



- Revenues: Δ 19/20 EUR +135.7 million
- EBIT: Δ 19/20 EUR +9.5 million
- Significant increase in revenues and earnings
- Business development benefits from increased demand for agricultural machinery; additional incentive to buy due to VAT reduction
 - Sales of new machinery +18.4% y/y and used machinery -13.3% y/y
- Good capacity utilisation in the service business

Financials Agriculture Segment 1-9/2020

Income Statement

in EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	1-9 2020	Δ19/20 (%)
Revenues	8,186.3	8,247.1	8,302.2	8,191.0	8,116.1	-0.9%
EBITDA	86.1	93.5	99.9	128.6	149.0	15.9%
<i>% of Revenues</i>	<i>1.1%</i>	<i>1.1%</i>	<i>1.2%</i>	<i>1.6%</i>	<i>1.8%</i>	
EBIT	45.1	49.6	55.7	65.8	77.5	17.8%
<i>% of Revenues</i>	<i>0.6%</i>	<i>0.6%</i>	<i>0.7%</i>	<i>0.8%</i>	<i>1.0%</i>	
EBT	3.7	12.0	16.0	24.7	39.9	61.5%
<i>% of Revenues</i>	<i>0.0%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.3%</i>	<i>0.5%</i>	

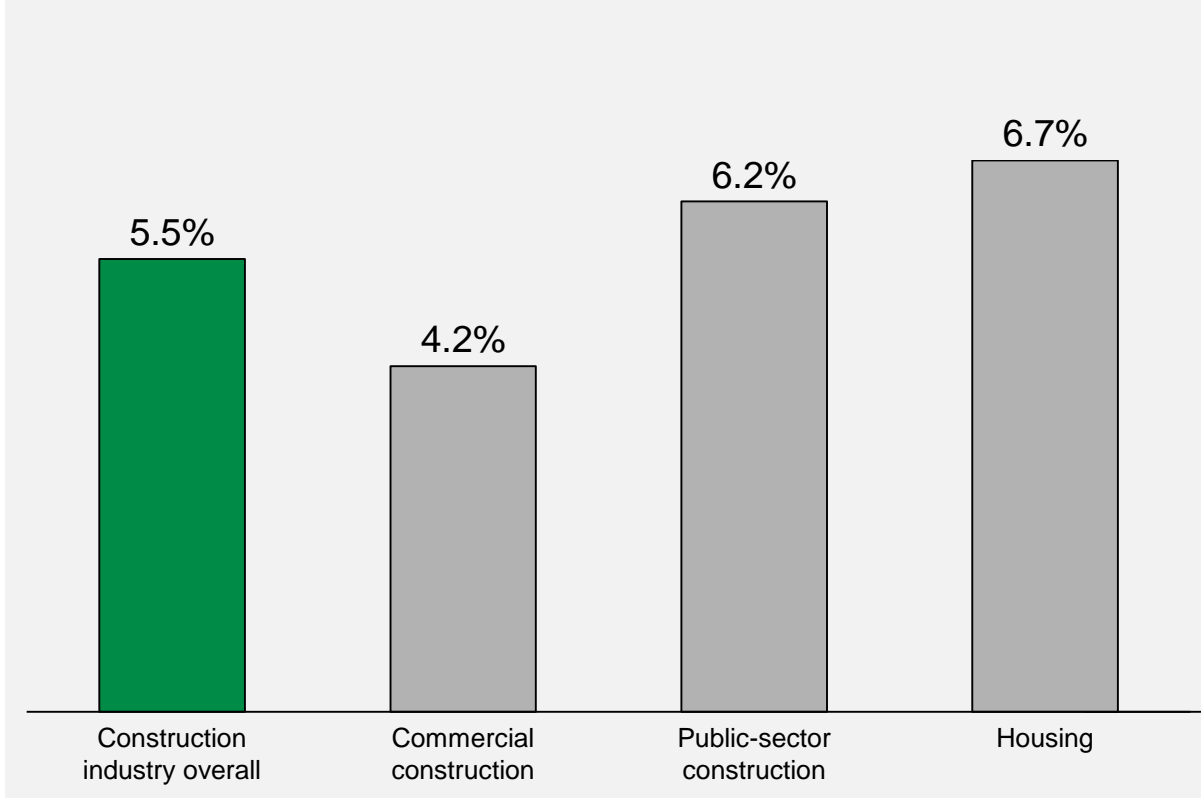
Building Materials Segment



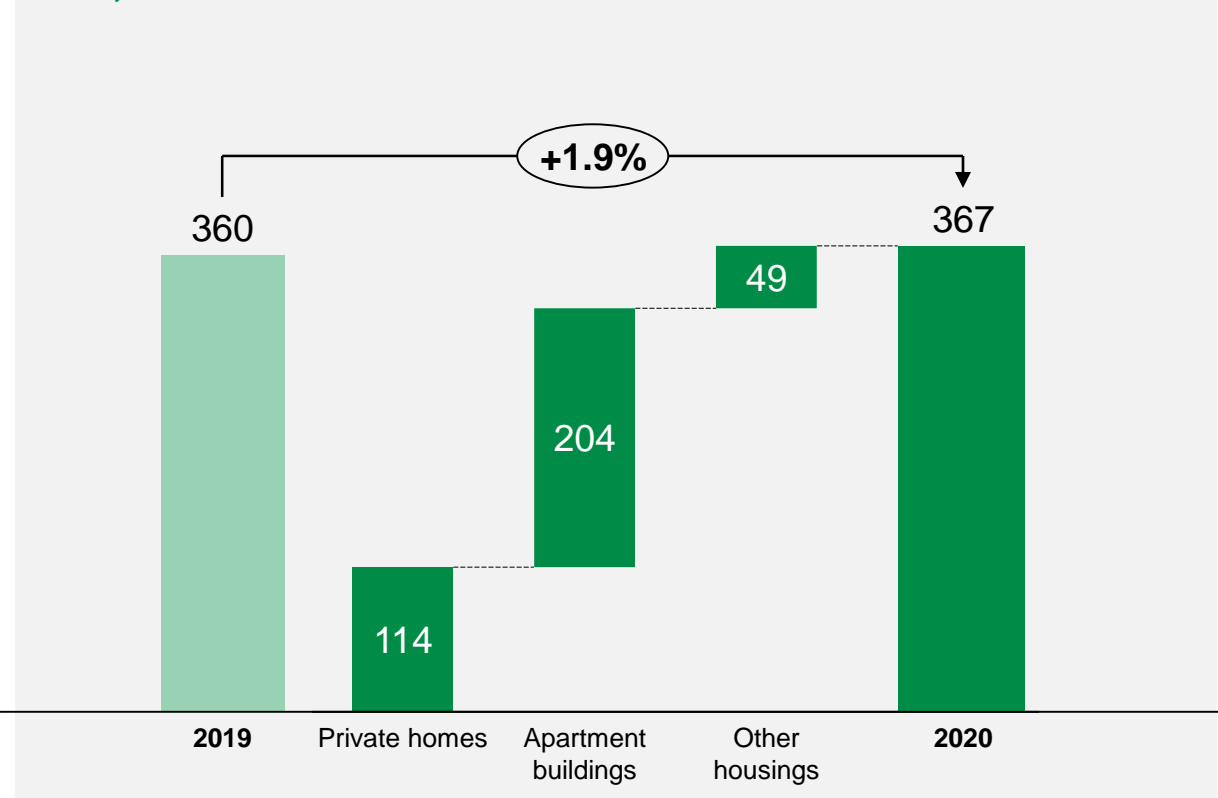
Building Materials Segment 1-9/2020

Market developments

Sales in the German construction industry 1-8/2020
in % vs 2019¹



Building permissions in Germany Forecast 2020²
in 1,000



Sources: 1) Hauptverband der deutschen Bauindustrie; 2) Heinze Marktbericht, November 2020

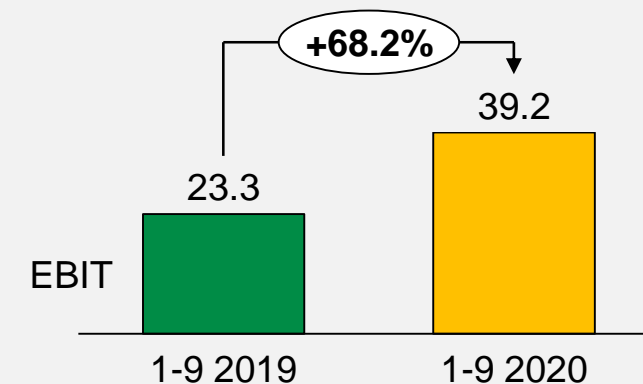
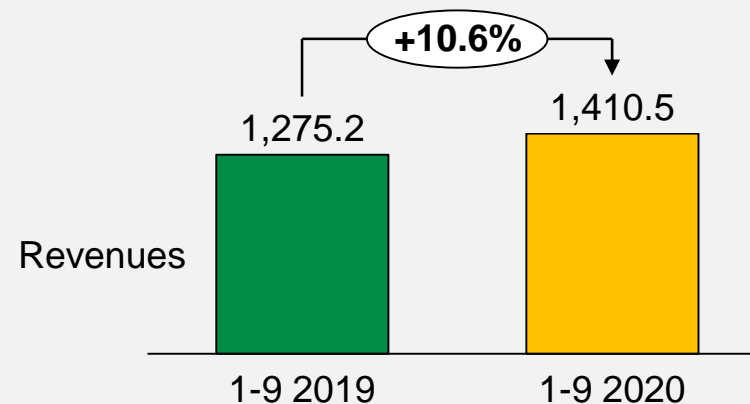
Building Materials Segment 1-9/2020

Revenues and EBIT as against the previous year

Building Materials



In EUR m



- Revenues: Δ 19/20 EUR +135.3 million
- EBIT: Δ 19/20 EUR +15.9 million
- Building materials business benefits from ongoing healthy construction activity; increase in sales across the entire building materials portfolio
- Higher earnings driven by increase in sales from gardening & landscaping construction (+20.7% y/y), roof (+13.7% y/y) and building construction (+10.1% y/y)
- Upbeat development in e-commerce - propensity to purchase via digital channels on the rise
- Unused vacation budgets due to the Corona pandemic are likely to have been increasingly invested in the home

Financials Building Materials Segment 1-9/2020

Income Statement

In EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	1-9 2020	Δ19/20 (%)
Revenues	1,168.6	1,218.6	1,292.6	1,275.2	1,410.5	10.6%
EBITDA	30.1	33.2	34.3	39.6	60.0	51.5%
<i>% of Revenues</i>	2.6%	2.7%	2.7%	3.1%	4.3%	
EBIT	18.8	21.6	22.3	23.3	39.2	68.2%
<i>% of Revenues</i>	1.6%	1.8%	1.7%	1.8%	2.8%	
EBT	7.9	11.8	12.5	14.4	29.6	> 100%
<i>% of Revenues</i>	0.7%	1.0%	1.0%	1.1%	2.1%	

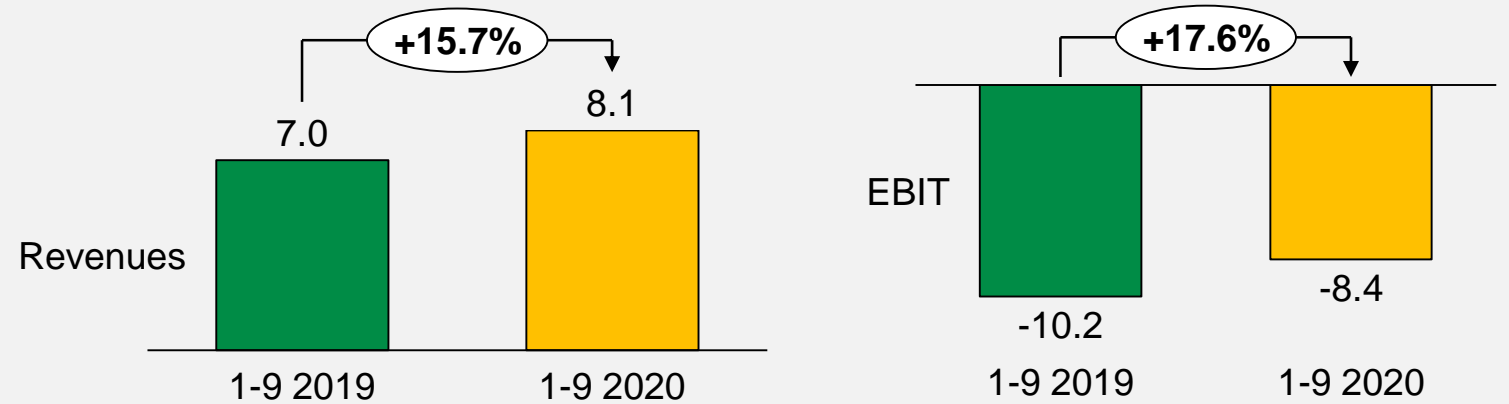
Innovation & Digitalisation Segment 1-9/2020

Revenues and EBIT as against the previous year

Digital Farming & eBusiness



In EUR m

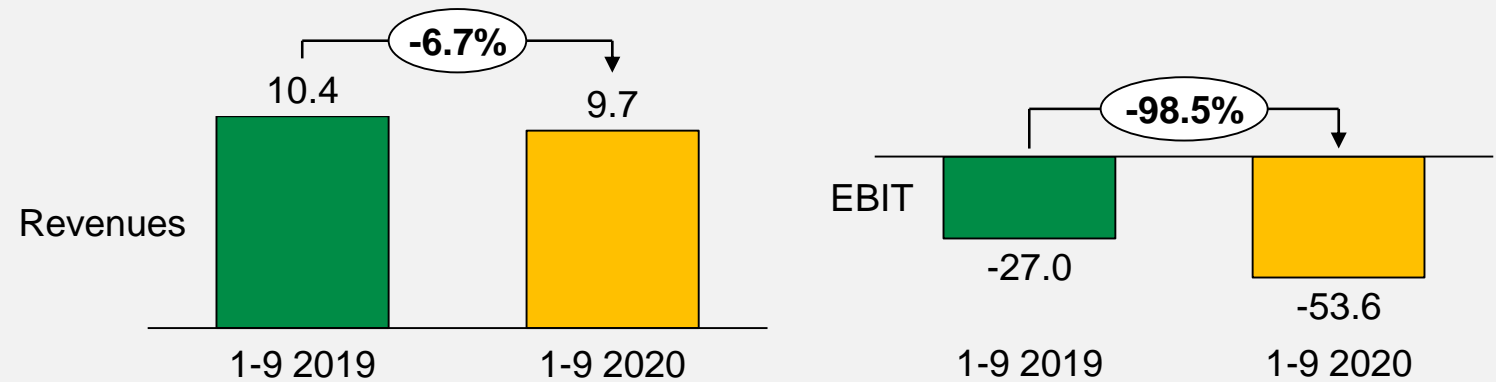


- Revenues: Δ 19/20 EUR +1.1 million
- EBIT: Δ 19/20 EUR +1.8 million
- Increase in sales from higher order intake; sale of smart farming solutions intensified
- Smart Farming: positive development in soil sampling services & hardware components; launch of the NEXT marketplace trading platform of FarmFacts GmbH
- eBusiness: increased online sales at the onset of the Corona pandemic; sales and earnings are, however, allocated to the individual segments
- Burden on earnings eased, as scheduled

Other Activities 1-9/2020



In EUR m



- Revenues: Δ 19/20 EUR -0.7 million
- EBIT: Δ 19/20 EUR -26.6 million
- EBIT consists of administrative costs and consolidation effects; decline compared with year-earlier period caused by special effects and Corona
- Absence of bank dividends and income from investments (EUR 11.8 million), hedging transactions for currency risks (EUR 7.0 million), as well as additional costs due to the Corona pandemic (EUR 3.9 million)
- In the year-earlier period: sale of Kartoffel-Centrum Bayern GmbH (EUR 3.9 million); AHG-Autohandelsgesellschaft mbh (EUR 3.1 million)

Group Financials

Group Financials 1-9/2020

Income Statement

in EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	1-9 2020	Δ19/20 (%)
Revenues	11,439.3	11,980.3	12,196.7	12,473.0	12,197.8	-2.2%
EBITDA	177.3	188.1	127.2	223.9	264.8	18.3%
<i>% of Revenues</i>	1.5%	1.6%	1.0%	1.8%	2.2%	
EBIT	85.4	90.3	28.3	77.3	102.7	32.9%
<i>% of Revenues</i>	0.7%	0.8%	0.2%	0.6%	0.8%	
EBT	33.4	38.2	-26.7	-2.0	25.8	> 100%
<i>% of Revenues</i>	0.3%	0.3%	-0.2%	0.0%	0.2%	
Consolidated net income	25.0	28.0	-19.0	-1.5	18.3	> 100%
Share of minority interest	18.1	20.2	19.1	18.9	20.1	6.3%
<i>as % of net income</i>	72.4%	72.1%	> -100%	> -100%	> 100%	
Share of owners of parent company	6.9	7.8	-38.1	-20.4	-1.8	91.2%
<i>as % of net income</i>	27.6%	27.9%	> +100%	> +100%	-9.8%	
Earnings per share (EPS) in EUR ¹	0.20	0.22	-1.09	-0.58	-0.05	91.4%
Earnings per share (EPS) in EUR ²				-0.85	-0.33	61.2%

1) Earnings per share net of minority interest (prior to hybrid); 2) Earnings per share net of minority interest (after hybrid); previous year's figure corrected in accordance with IAS 8.49 a)

Group Financials 1-9/2020

Balance Sheet

In EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	FY 2019	1-9 2020	Δ19/20 (%)
Total assets	6,608.0	7,045.2	7,618.1	8,947.2	8,867.2	9,413.3	6.2%
Equity	1,074.6	1,119.8	1,333.3	1,333.1	1,358.6	1,280.5	-5.7%
<i>Equity ratio</i>	16.3%	15.9%	17.5%	14.9%	15.3%	13.6%	
<i>Equity ratio adjusted*</i>	19.5%	19.4%	20.6%	17.5%	20.0%	16.7%	

In EUR m	1-9 2016	1-9 2017	1-9 2018	1-9 2019	FY 2019	1-9 2020	Δ19/20 (%)
Non-current assets	2,276.2	2,435.8	2,407.7	3,069.5	3,276.6	3,300.9	0.7%
Current assets	4,297.0	4,586.3	5,205.0	5,824.4	5,585.9	6,109.6	9.4%
Provisions	897.4	928.4	999.9	983.2	1,084.4	1,104.0	1.8%
Long-term debt (Ci**)	1,223.6	1,171.9	1,118.4	1,418.3	1,301.1	1,320.2	1.5%
Long-term leasing liabilities				722.7	706.5	712.4	0.8%
Short-term debt (Ci**)	1,593.3	1,781.2	1,886.0	2,043.4	2,313.6	2,420.2	4.6%
Short-term leasing liabilities				21.9	68.2	67.7	-0.7%

* Adjusted for the reserve formed for actuarial profits and losses

**Ci = Credit institute

Operational Outlook for FY 2020

Operational Outlook 2020

Energy Segment



- Rise in earnings in the final quarter on the back of the sale of numerous plants in Europe and in the USA
 - Uptrend in sales from trading in PV components expected to continue
- Renewable Energies: Result anticipated at the high year-earlier level.
-
- Potential up-front buying effects for heat energy carriers (heating oil and wood pellets) due to CO₂ tax and the return to the 19% VAT rate as from 2021
 - Stable development expected for lubricants and fuels
 - Positive stimulus through the expansion of the new BayWa Mobility Solutions business (LNG fuel stations)
- Conventional Energy: Adjusted for the earnings contribution from TESSOL in the previous year, high year-earlier result achieved in the business unit is likely to be exceeded.

Operational Outlook 2020

Agriculture Segment



- Price volatility is likely to persist due to the uncertainty caused by the Corona pandemic and stronger demand from China
 - BAST: additional opportunities through ongoing price volatility; stable development expected for speciality trading
 - Agriculture: cost of restructuring the agri-business in eastern Germany compensated by other business units in the segment
 - Global Produce: sale of German apple harvest at above-average prices; greater area for cultivating apples (+4%) in New Zealand and the inclusion of Freshmax lift sales volumes; international activities also likely to benefit from Christmas business
 - Low price level for operating resources and VAT increase at the start of 2021 could lead to greater stockpiling by farmers
 - Agricultural Equipment: Service business likely to develop well through to the end of the year
- Result 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 product mix and growing willingness of customers to purchase via digital channels likely to boost demand
 - Ongoing expansion of higher-margin own brand product range
 - Earnings contributions from project business in the final quarter (Schrobenhausen, Burgkirchen und Borna near Leipzig)
- Further increase in earnings anticipated

BayWa

**Thank you for your
attention!**



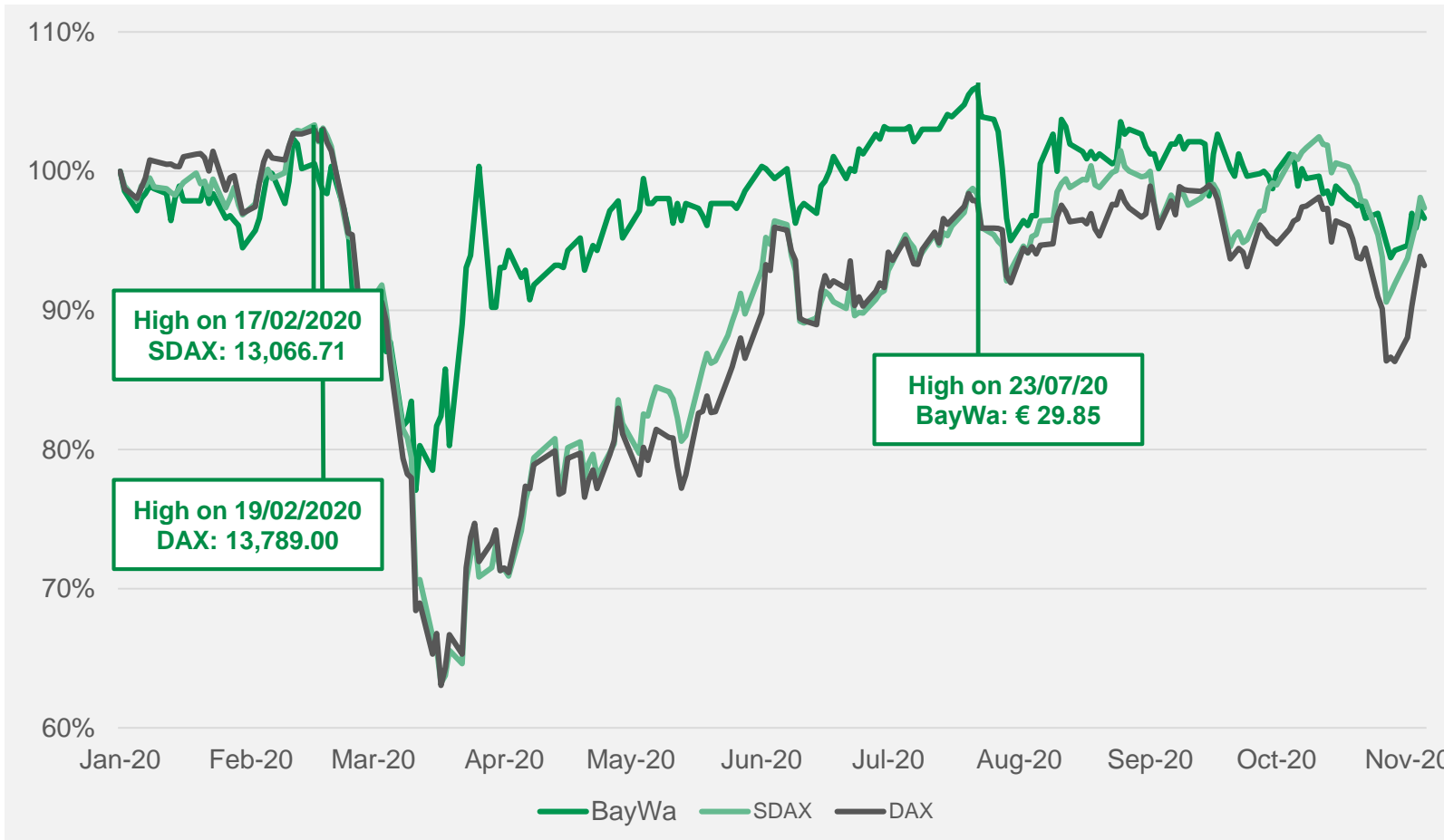
The logo consists of the text "BayWa" in a white, bold, sans-serif font, centered within a solid dark green square. The background of the entire image features abstract, flowing green and teal shapes that create a sense of movement and depth.

BayWa

United for success.

BayWa Share 2020

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



06 November 2020:
performance & closing prices¹

BayWa
-3,4%

€27.20
closing price

SDAX
-2,7%

12,311.21*
closing price

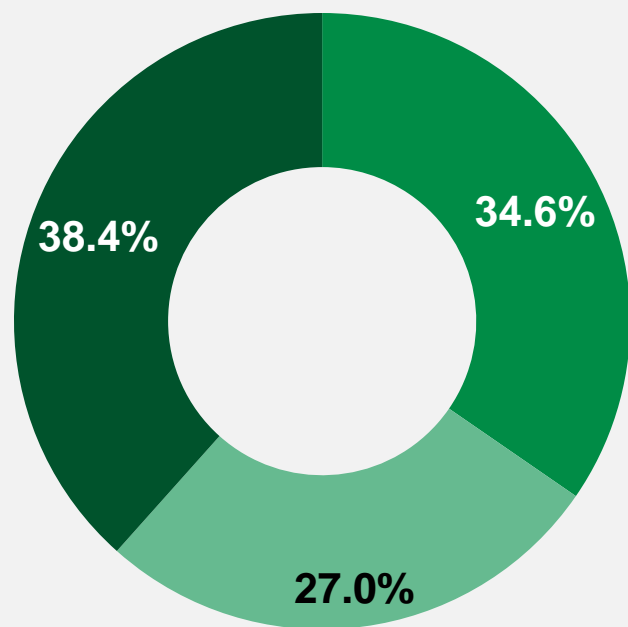
DAX
-6,8%


12,480.02*
closing price

* points

BayWa Share 2020

Shareholder structure (30/09/2020)



-  Bayerische Raiffeisen-Beteiligungs AG
-  Raiffeisen Agrar Invest AG
-  Freefloat

BayWa share profile (30/09/2020)

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

