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BayWa AG reports strong first quarter

Company generates above-average Group EBIT in the first quarter of 2023 – good starting point for earnings targets in the current financial year

Munich, 11 May 2023 – BayWa AG generated above-average earnings before interest and tax (EBIT) in the first quarter of the current financial year. Despite falling year on year to €91.8 million on the heels of an exceptional first quarter of 2022 (Q1/2022: €144.9 million), EBIT still exceeded the comparable figure for other previous years by a clear margin. At €6.3 billion (Q1/2022: €6.3 billion), revenues were on a par with the previous year in the first quarter of 2023.

“All in all, a strong first quarter and a good starting point for further business performance this year,” says BayWa Chief Executive Officer Marcus Pöllinger. “The volatile market environment of one year ago, in which we faced a particularly forceful call to action as a provider of essential goods and services and more than delivered on our promises to our customers, has since settled down somewhat. By contrast, the global trends that we at BayWa serve through our business divisions remain intact, as the strong figures for the first quarter of this year also show.”

Individual segment performance

Renewable Energies Segment

With revenues of €1.5 billion (Q1/2022: €1.6 billion) and EBIT of €53.0 million (Q1/2022: €63.9 million), the Renewable Energies Segment recorded a good start to the new year. Demand for solar modules and inverters remains high and made a significant contribution to the result. In project business, the lion's share of wind farms and solar parks are usually sold in the second half of the year.

Energy Segment

In combination with revenues of €633.2 million (Q1/2022: €649.2 million), EBIT in the Energy Segment declined year on year, as expected, to stand at €4.5 million in the first quarter of 2023 (Q1/2022: €8.4 million). The drop was price-related and was also attributable to reluctance to buy among customers, who continued to maintain significant stocks and

speculated on falling prices. In fuels, BayWa expects to see higher sales volumes in the months ahead due to the seasonal increase in agricultural and construction activity.

Cefetra Group Segment

The Cefetra Group Segment reported revenues and EBIT on a par with the previous year, at €1.4 billion (Q1/2022: €1.4 billion) and €17.1 million (Q1/2022: €17.1 million), respectively. Having successfully seized trading opportunities a year ago on account of the price rally on international agriculture exchanges, the Cefetra Group benefited this past quarter from better prices for freight and shipping. The specialities business, which includes products such as proteins, nuts and legumes, also developed very positively in the first quarter of 2023.

Agri Trade & Service Segment

In the Agri Trade & Service Segment, revenues increased to €1.5 billion in the first quarter of 2023 (Q1/2022: €1.4 billion). EBIT stood at €31.0 million (Q1/2022: €58.7 million). The result was buoyed by above-average earnings margins in domestic grain trading, but was also weighed down by farmers' reluctance to buy agricultural inputs. BayWa anticipates rising sales in the months ahead, especially for seed and crop protection products, once the weather permits farmers to make such purchases.

Agricultural Equipment Segment

The Agricultural Equipment Segment started the new year with a high order backlog, as reflected in new record figures. Revenues stood at €539.9 million in the first quarter of 2023 (Q1/2022: €476.0 million), with EBIT of €22.4 million (Q1/2022: €11.3 million). Farmers continue to have a healthy investment appetite. The number of tractors sold is on a par with the previous year, and both capacity utilisation and productivity at BayWa's workshops remain high. BayWa expects this trend to continue in the months ahead.

Global Produce Segment

Inclement weather in various fruit-growing regions had an effect on results and earnings in the international fruit business. In combination with revenues of €257.1 million (Q1/2022: €224.3 million), the Global Produce Segment recorded EBIT of minus €12.6 million (Q1/2022: €7.3 million). While Cyclone Gabrielle damaged a portion of the apple harvest in

New Zealand, key procurement regions for avocados and mangoes also reported lower harvest volumes and quality issues. In domestic fruit trading, discount campaigns among retailers stimulated sales of dessert pome fruit. BayWa expects buying to stabilise over the course of the year. However, the overall conditions should remain challenging.

Building Materials Segment

Revenues in the Building Materials Segment stood at €414.4 million in the reporting period (Q1/2022: €477.4 million). EBIT stood at minus €9.1 million (Q1/2022: minus €1.2 million), as is typical for the season. The supply and price situation for building materials eased slightly compared to the same period in the previous year, which affected trading margins in the first quarter of 2023. Order backlog remains high in the Building Materials Segment. BayWa also anticipates rising demand for building materials for energy-efficient modernisation work and climate-friendly construction. In addition, reservations have already been received for the first units from BayWa Bau Projekt GmbH construction projects in Bad Endorf and Munich, even though the marketing phase has yet to begin.



BayWa headquarters in Munich

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About BayWa AG

BayWa is a globally active group with the business units energy, agriculture and building materials. As a global player with revenues of €27.1 billion in 2022, it develops leading projects and solutions for the basic human needs of food, energy and building. BayWa AG has around 25,000 employees in over 50 countries. The headquarters of the parent company, which was founded in 1923 and is celebrating its 100th anniversary in 2023, are in Munich. Its roots lie in agricultural cooperative trading, and its mission is to provide rural regions with everything they require for agriculture. More information is available at www.baywa.com/press