

Investor Relations

Newsletter

28 March 2019

Financial year 2018: BayWa achieves forecast earnings before interest and tax of €172.4 million. Positive outlook for 2019

- All three operating segments exceed previous year's results
- Operating earnings improvements in the segments more than compensate for one-off income in the previous year and new records achieved in some cases, such as in agricultural equipment
- Agriculture Segment: measures to improve profitability take effect
- Energy Segment: BayWa r.e. completes planned sale of largest solar power plant in its history with an output of 174.4 megawatts (MW)
- Building Materials Segment: progress made in strategic development towards becoming an integrated multi-specialist
- Proposed dividend of 90 cents per share
- Pleasing start to 2019
- CEO Klaus Josef Lutz: "We have reinforced our vision for growth."

The BayWa Group generated total revenues of €16,625.7 million in 2018, a 3.6% increase compared to the previous year. EBIT improved by 0.6% to €172.4 million. The consolidated net result for the year declined by 18.4% to €54.9 million due to an increase in tax on income and the rise in interest expenses caused by improvements in operating earnings. The Board of Management and the Supervisory Board will propose the same dividend distribution as in the previous year, 90 cents per share, to the Annual General Meeting of Shareholders.

The BayWa Group made solid progress in its continued strategic development, pressing ahead with its speciality strategy and optimising its location structure in the Agriculture Segment. There was further expansion of the renewable energies portfolio with the acquisition of the GroenLeven Group in the Energy Segment. A range of new electromobility services were introduced in the conventional energy business. The ongoing boom in construction activity and the expansion of the range of BayWa building materials available online also gives reason for confidence regarding the further development of the Building Materials Segment: "I think we can be delighted with the successful conclusion of this year, particularly given the challenging weather conditions we were faced with," said Klaus Josef Lutz, CEO of BayWa AG. "What's more, we have made a better start to the financial year 2019 compared to 2018."



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Key Financials of the BayWa Group

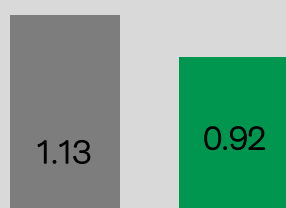
Income Statement

In EUR m	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	FY 2017	Δ2017/18
Revenues	3,797.1	4,473.3	3,926.3	4,429.0	16,625.7	16,055.1	3.6%
EBITDA	-7.5	104.4	30.4	188.2	315.3	318.5	-1.0%
EBIT	-41.0	73.2	-3.8	144.1	172.4	171.3	0.6%
EBT	-57.0	55.4	-25.1	119.4	92.6	102.4	-9.6%
Consolidated net result	-43.7	42.6	-17.9	73.9	54.9	67.2	-18.3%

EBIT per Segment

In EUR m	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	FY 2017	Δ2017/18
Agriculture	-2.7	55.1	3.3	44.4	100.1	82.0	22.1%
BAST	8.0	6.5	8.7	7.9	31.1	7.0	>+100%
Agri Trade & Service	-6.2	17.9	-13.2	6.7	5.2	25.7	-79.8%
Agricultural Equipment	-1.0	16.6	0.7	20.3	36.6	19.9	83.9%
Global Produce	-3.5	14.1	7.1	9.5	27.2	29.4	-7.5%
Energy	-3.5	4.8	-11.4	106.1	96.0	85.1	12.8%
Renewable Energies	-5.1	1.5	-17.3	93.4	72.5	66.6	8.9%
Conventional Energy	1.6	3.3	5.9	12.7	23.5	18.5	27.0%
Building Materials	-15.7	23.1	14.9	8.8	31.1	30.1	3.3%
Innovation & Digitalisation	-3.0	-3.0	-2.8	-3.5	-12.3	-10.8	-13.9%
Other Activities	-16.2	-6.8	-7.8	-11.7	-42.5	-15.2	>-100%
Total	-41.1	73.2	-3.8	-144.1	172.4	171.3	0.6%

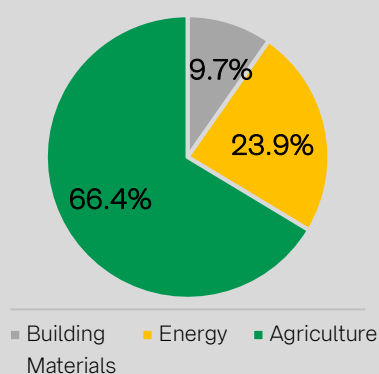
Earnings per share (EPS) in EUR



2017

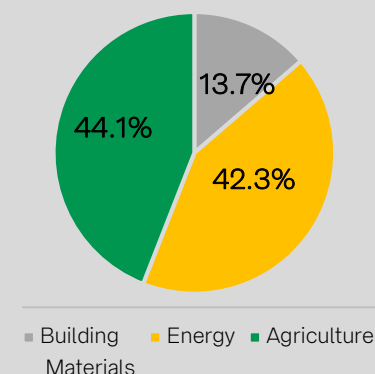
2018

Share of revenues per segment in %: 2018



■ Building Materials ■ Energy ■ Agriculture

Share of EBIT (operative) per Segment in %: 2018



■ Building Materials ■ Energy ■ Agriculture

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Developments on the capital market in 2018/19

Most stock markets around the world experienced double-digit price losses in 2018. This was primarily due to the declining market value ratios, but was also the result of company profit guidances being lowered. The share prices of German companies lost out to a disproportionately high extent due to the German industry's reliance on exports, while US companies saw their share prices fall to a lesser extent on account of significantly more-robust profit development and widespread share buyback programmes. Stock markets have been recovering since the start of the year. This is likely due to the prospect of an end to the US-China trade war and the ongoing low-interest environment. The development of the BayWa share price largely reflects this market trend.

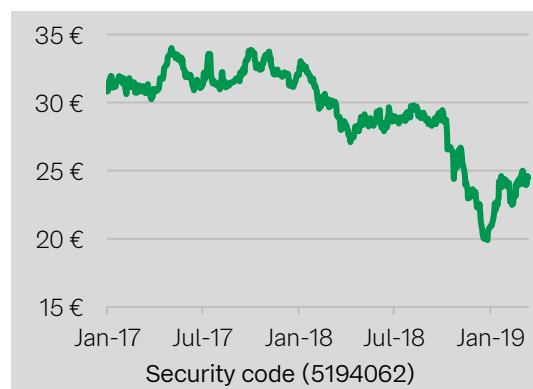
IPOs

A total of 16 companies were successfully admitted to the strictly regulated Prime Standard segment of the Frankfurt Stock Exchange in 2018, raising a total of €11.6 billion in the process – the highest issue volume since the year 2000! The high number of IPOs resulted in shifts in the composition of the selection indices. The BayWa share was pushed out of the SDAX in the second half of 2018 but returned in March 2019.

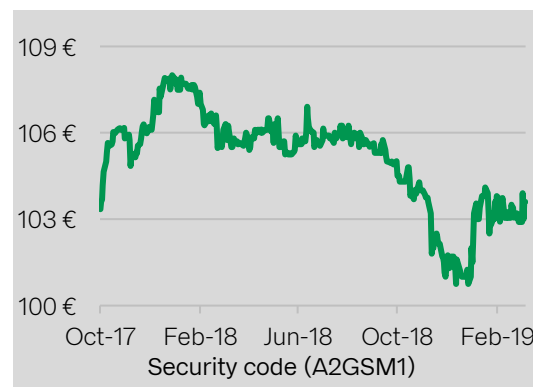
Despite the decline in IPOs worldwide, experts in Germany expect 2019 to be another strong year for new issues, with between 15 and 18 IPOs realistically possible.

BayWa Share

Closing price on 27/03/2019	24.3
Closing price on 31/12/2018	20.6
52W High	33.5
52W Low	19.9



BayWa Hybrid Bond



Financial Calendar 2019/20

28 March 2019	Release of financial figures FY 2018
9 May 2019	Release of financial figures Q1 2019
28 May 2019	Annual General Meeting
8 August 2019	Release of financial figures HY 2019
7 November 2019	Release of financial figures Q3 2019
26 March 2020	Release of financial figures FY 2019

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