

Investor Relations

Newsletter | Financial Year 2023

BayWa



Positives and negatives to take from financial year 2023

Board of Management initiates Group-wide debt reduction and portfolio optimisation

With revenue of €23.9 billion (2022: €27.1 billion) and EBIT of €304.0 million (2022: €504.1 million), the BayWa Group's operating performance fell short of the figures recorded in the exceptional year of 2022, as expected.

The original EBIT forecast for the financial year of €320 million to €370 million was narrowly missed. While the Agricultural Equipment and Cefetra Group Segments reached new heights, the Global Produce and Building Materials Segments recorded sharp declines in EBIT. The Buildings Materials Segment faced a drastic slump in German residential construction, while the consequences of a tropical storm impacted the Global Produce Segment. In addition, trade in solar modules in the Renewable Energies Segment suffered from the rapid fall in solar module prices.

Taking into account the unprecedented market factors, operating performance is satisfactory overall. The same cannot be said of earnings after interest and tax, though. High interest expenses and an unexpectedly high tax rate led to a negative consolidated result.

A significant improvement in earnings is expected for the financial year 2024. In addition to operational growth, profitability is set to be improved sustainably at all levels through cost-cutting and optimisation measures in inventory management in particular.

"The financial year 2023 shows the strengths and weaknesses of our business model", says Marcus Pöllinger, Chief Executive Officer of BayWa AG. "Now we need to make the right adjustments in order to become profitable again."

Overview

- Price-related decline in revenue
- EBIT for financial year 2023 just below the forecast
- Consolidated net income burdened by high interest and tax rate
- Suspension of dividend planned
- Strategy 2030 adopted
- Significant improvement in earnings expected in financial year 2024

Key financials of the BayWa Group

Income Statement

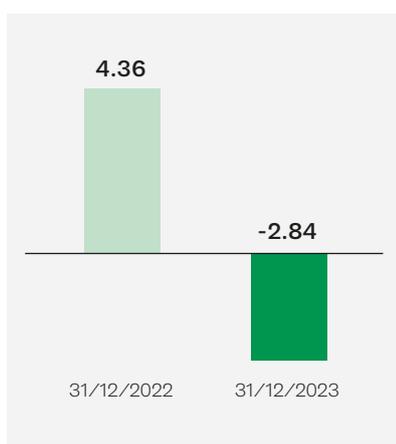
| in EUR million | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | FY 2023 | FY 2022 | Change |
|-------------------------|---------|---------|---------|---------|-----------------|----------|---------|
| Revenues | 6,280.4 | 6,278.8 | 5,632.6 | 5,788.3 | 23,948.2 | 27,061.8 | -11.5% |
| EBITDA | 158.8 | 163.3 | 97.7 | 167.5 | 587.3 | 858.8 | -31.6% |
| EBIT | 91.8 | 95.1 | 27.7 | 89.4 | 304.0 | 504.1 | -39.7% |
| EBT | 14.6 | 18.1 | -56.7 | -13.7 | -37.7 | 319.6 | > -100% |
| Consolidated net result | 10.4 | 12.8 | -40.2 | -76.4 | -93.4 | 239.5 | > -100% |

EBIT per business unit and segment

| in EUR million | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 | FY 2023 | FY 2022 | Change |
|---------------------------------|---------|---------|---------|---------|--------------|---------|---------|
| Energy ¹ | 57.5 | 50.2 | 11.6 | 92.3 | 211.6 | 292.7 | -27.7% |
| Renewable Energies | 53.0 | 45.4 | 7.4 | 88.0 | 193.8 | 239.1 | -18.9% |
| Energy | 4.5 | 4.8 | 4.2 | 4.3 | 17.8 | 53.6 | -66.8% |
| Agriculture ¹ | 57.9 | 54.0 | 33.1 | 15.5 | 160.5 | 255.5 | -37.2% |
| Cefetra Group | 17.1 | 13.2 | 20.3 | 14.0 | 64.6 | 59.5 | 8.6% |
| Agri Trade & Service | 31.0 | 8.8 | 6.7 | -20.1 | 26.4 | 104.7 | -74.8% |
| Agricultural Equipment | 22.4 | 21.5 | 8.7 | 32.0 | 84.6 | 70.2 | 20.5% |
| Global Produce | -12.6 | 10.5 | -2.6 | -10.4 | -15.1 | 21.1 | > -100% |
| Building Materials ¹ | -9.1 | 9.8 | 5.1 | 0.8 | 6.6 | 70.4 | -90.6% |
| Innovation & Digitalisation | -1.1 | -2.1 | -1.4 | -6.2 | -10.8 | -11.4 | 5.3% |
| Other Activities | -13.4 | -16.8 | -20.7 | -13.0 | -63.9 | -103.1 | 38.0% |
| Total | 91.8 | 95.1 | 27.7 | 89.4 | 304.0 | 504.1 | -39.7% |

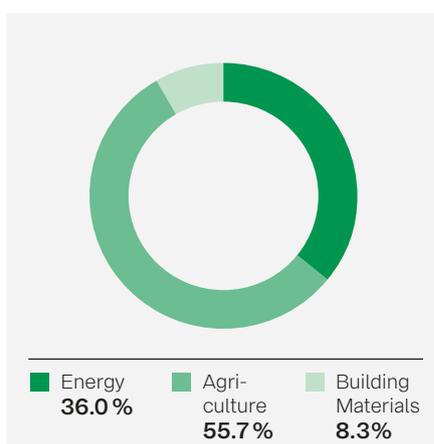
Earnings per share (EPS)

in Euro



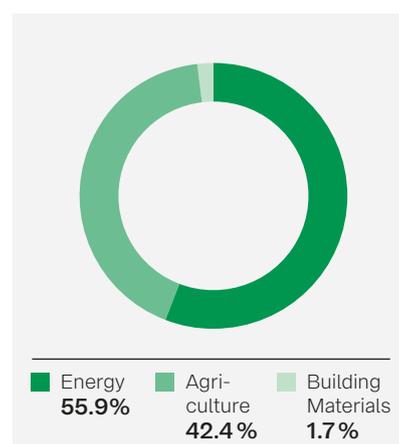
Share of revenues per business unit

in % as at 31/12/2023



Share of EBIT (operational) – per business unit

in % as at 31/12/2023



¹ Business unit

Capital markets

Review

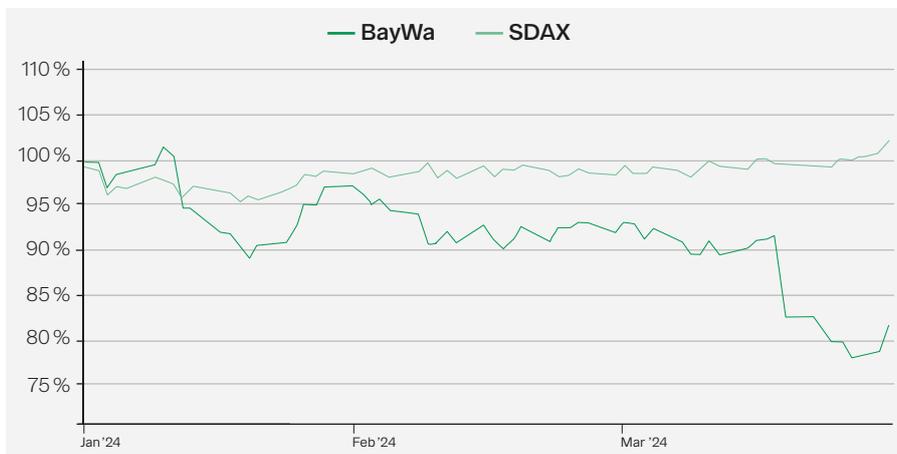
The stock market year 2023 was characterised by substantial price fluctuations on both the equity and bond markets. In addition to the geopolitical crises, the interest rate and monetary policy of central banks, inflationary trends and the associated fears about economic development and recession were the main causes of high volatility on the capital markets.

Despite the escalation of the Middle East conflict and Fed chairman Jerome Powell's statement that interest rates are likely to remain "higher for longer", the equities market embarked on an end-of-year rally from November onwards. The trend was fuelled by lower inflation figures in Europe, with many indices ending the year with growth of 20% and more.

The DAX closed at 16,751 points, up 20.3%. In the United States, tech stocks made the most gains over the course of the year. The S&P 500 index rose by 25%, and the Nasdaq Composite technology index by as much as 55%. The Magnificent Seven – the seven major US tech stocks – were key drivers in this development.

Small and mid caps, on the other hand, were the underperformers of stock market year 2023. Interest in many small stocks in Europe was subdued due to the unstable economic situation. Many professional investors believe that the small- and mid-cap sector has good growth prospects for the current stock market year 2024. Small caps are valued lower than blue chips and therefore have great catch-up potential.

BayWa share 2024: Price performance compared with SDAX



BayWa
-18.4%

25.55 €
Closing Price on
26/03/2024

SDAX
2.1%

14,250.02*
Closing Price on
26/03/2024

* Points

Current analyst recommendations

| | | |
|------------------|------|---------------|
| Baader Bank | Buy | March 2024 |
| DZ Bank | Hold | March 2024 |
| Kepler Cheuvreux | Hold | January 2024 |
| Metzler | Buy | November 2023 |
| Warburg Research | Buy | November 2023 |

BayWa share

| | |
|-----------------------------|---------|
| Closing price on 26/03/2024 | 25.55 € |
| Closing price on 31/12/2023 | 31.30 € |
| 52W high | 44.00 € |
| 52W low | 29.25 € |

Financial Calendar 2024

| | | |
|------------------|---|----------|
| 28 March 2024 | Consolidated Financial Statements 2023: Analysts' Conference Call | 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 |
| 8 August 2024 | Half-Year Report 2024: Analysts' Conference Call | 8.30 am |
| 14 November 2024 | Interim Report Q3 2024: Analysts' Conference Call | 8.30 am |



Follow us
on LinkedIn
#BayWaIR

BayWa AG
Investor Relations
Arabellastr. 4
81925 Munich
Germany

T +49 89 9222-0
F +49 89 9212-3887

**BayWa Group
on the internet:**
www.baywa.com/
investor_relations