

Quarterly Statement

Q1 2022



At a glance

GROUP KEY FIGURES

IFRS in EUR million	3M/2021	3M/2022	Change
Total Group revenues	356.6	417.9	17.2%
Sales revenues	303.0	364.5	20.3%
Order intake	516.1	532.0	3.1%
Order backlog	1,322.1	1,478.5	11.8%
EBITDA	25.9	32.4	25.2%
EBIT	1.8	4.1	n/a
Earnings after tax	-5.1	1.6	n/a
Total assets	1,635.4	1,699.9	3.9%
Equity	376.4	490.1	30.2%
Employees (reporting date)	11,759	11,952	1.6%

At variance with the consolidated revenues presented in the Group income statement, the total Group revenues presented here include portions of revenues from associated companies as well as revenues of non-consolidated subsidiaries and joint ventures.

Significant events and transactions

GROUP

At the end of the first quarter of 2022, the **total Group revenues** of the BAUER Group increased significantly by 17.2%, from EUR 356.6 million to EUR 417.9 million, compared to the same period in the previous year. This was primarily attributable to the Construction and Equipment segments. At EUR 4.1 million, **EBIT** was significantly above the previous year's value of EUR 1.8 million.

Overall, the BAUER Group had a good start to the financial year. In particular, the Equipment segment continued the positive trend with regard to revenue and order intake, which has been evident since the fourth quarter of 2021. In the Construction segment, the first few weeks of the year were a little more subdued, in particular with regard to international business, but remained in line with expectations. The Resources segment started the current year in line with plans.

At EUR 1.6 million, the Group's **earnings after taxes** were significantly above the previous year's value of EUR -5.1 million, and already in the positive range in the first quarter for the first time in many years. Financial income improved markedly compared to the previous year. In this context, interest rate hedging transactions had a significantly positive influence, as these must be valued in the balance sheet according to the development of market interest rates. Since the market interest rates increased strongly compared with the end of 2021, this created a positive effect of EUR 7.8 million on earnings after taxes in the first quarter (same period of the previous year: positive effect of EUR 1.3 million).

The **order backlog** in the Group increased by 11.8% compared with the reference period in the previous year, from EUR 1,322.1 million to EUR 1,478.5 million, a new record value. Compared to the end of 2021, the year-end figure of EUR 1,364.4 million represented an increase of 8.4%. Increases were recorded in all three segments, particularly Equipment and Resources. The **order intake** grew by 3.1% from EUR 516.1 million to EUR 532.0 million.

CONSTRUCTION SEGMENT

in EUR '000	3M/2021	3M/2022	Change
Total Group revenues	169,672	183,832	8.3%
Sales revenues	157,756	174,608	10.7%
Order intake	273,394	204,066	-25.4%
Order backlog	825,058	865,727	4.9%
EBIT	-176	-2,571	n/a

At EUR 183.8 million, **total Group revenues** in the Construction segment were up significantly by 8.3% compared to the previous year at EUR 169.7 million. **EBIT** decreased compared to the same period in the previous year, from EUR -0.2 million to EUR -2.6 million, which can be mainly attributed to higher depreciation and expenses associated with a project for the foundation of an offshore wind farm.

The increase in total Group revenues is based on a significantly higher order backlog compared to the previous year. Despite this, but in line with expectations, the first weeks of the year were subdued, particularly in international business. An encouraging sign is that construction in some Asian countries, such as the Philippines and Thailand, has picked up again a little.

The increase in raw material prices, particularly as a result of the Russian war against Ukraine, makes renegotiation necessary for some existing contracts. Where possible, price escalation clauses are being used as a safeguard. A shortage of materials isn't yet having a noticeable impact on our most important raw materials of concrete and steel.

Order backlog in the Construction segment grew by 4.9% from EUR 825.1 million in the previous year to EUR 865.7 million. The increase in the first quarter is mainly attributable to new projects in the USA. **Order intake** decreased by 25.4% to EUR 204.1 million, compared to EUR 273.4 million in the previous year.

EQUIPMENT SEGMENT

in EUR '000	3M/2021	3M/2022	Change
Total Group revenues	151,973	191,535	26.0%
Sales revenues	91,860	136,501	48.6%
Order intake	185,828	239,344	28.8%
Order backlog	152,711	225,608	47.7%
EBIT	514	9,017	n/a

At the end of the first quarter, **total Group revenues** in the Equipment segment increased very significantly by 26.0%, from EUR 152.0 million to EUR 191.5 million, when compared to the same period of the previous year. **EBIT** increased considerably compared to the previous year, from EUR 0.5 million to EUR 9.0 million.

The Equipment segment recorded a very good start to the year and was able to continue the positive trend regarding revenue and order intake that began in the fourth quarter of 2021. No impact on customer ordering behavior as a result of the Russian war against Ukraine was reported so far in the first quarter. Price increases for raw materials and primary products were counteracted by significant price increases for end products. Moreover, there were no major effects of material bottlenecks on production in the first quarter. Despite this, the outlook for the rest of the year remains cautious since we expect greater uncertainty for our business due to these developments, particularly in the second half of the year.

Order backlog increased very significantly by 47.7%, from EUR 152.7 million in the previous year to EUR 225.6 million, a level that was last achieved in 2008. At EUR 239.3 million, the **order intake** rose very significantly by 28.8% compared to the previous year's EUR 185.8 million.

RESOURCES SEGMENT

in EUR '000	3M/2021	3M/2022	Change
Total Group revenues	63,216	58,700	-7.1%
Sales revenues	52,931	52,828	-0.2%
Order intake	85,221	104,742	22.9%
Order backlog	344,349	387,198	12.4%
EBIT	2,144	-1,336	n/a

At EUR 58.7 million, **total Group revenues** in the Resources segment were down by 7.1% after the first quarter, compared to the previous year's EUR 63.2 million. **EBIT** decreased from EUR 2.1 million to EUR -1.3 million because of the decline in revenues.

The Resources segment started the current year in line with plans. All business areas recorded positive development that was within expectations. Material bottlenecks and price increases didn't yet have an effect on business in the first quarter.

At the end of the first quarter, the **order backlog** increased significantly by 12.4%, from EUR 344.3 million to EUR 387.2 million, which is primarily attributable to new orders in the mining division. The **order intake** grew accordingly by 22.9% from EUR 85.2 million to EUR 104.7 million.

Earnings, financial and net asset position

The significant key figures for the earnings position have already been described in the previous section.

At the end of the first quarter of 2022, the **total assets** of the Group amounted to EUR 1,699.9 million, corresponding to an increase of 3.9% compared to the previous year's value of EUR 1,635.4 million. On the asset side, a particularly positive impact was recorded by increases in receivables and other assets (EUR +33.2 million), inventories (EUR +15.9 million) as well as cash and cash equivalents (EUR +11.1 million).

On the asset side, the item of non-current assets held for sale has reduced significantly. The major share of this item in the previous year concerned a property in the USA. Since the sale had not occurred by the end of 2021, this share was reassigned back into property, plant and equipment. The remaining value of this item concerned a small property held by PRAKLA Bohrtechnik GmbH in Germany that was sold after the balance sheet date.

Equity increased significantly from EUR 376.4 million to EUR 490.1 million and was thus even higher than the 2021 year-end level of EUR 481.1 million. The primary factors with a positive impact were the capital increase (EUR +76.1 million), the provision for currency translation losses stated under equity (EUR +7.3 million), and the reserve from pension commitments (EUR +16.4 million). Thus the Group **equity ratio** was 28.8% at the end of the first quarter of 2022 (previous year: 23.0%).

The **short and long-term liabilities to banks** decreased by a total of EUR 55.7 million compared to the same period in the previous year.

Full-year outlook

The outlook for the 2022 financial year has not changed since publication of the 2021 Annual Report in April. We continue to expect that the COVID-19 pandemic will be a potential influencing factor and may also affect our business. Despite this, we do not expect that the pandemic, with its restrictions and effects on the global economy, to considerably worsen.

Russia's war against Ukraine is another factor of uncertainty for the course of business in 2022. The effects of the war on our direct business with and in Russia as well as Ukraine were incorporated in our forecast. The direct effects for the Group are not significant based on the current assessment. Effects of the war on the global economy are not taken into account in our forecast.

There are also ongoing bottlenecks, which would primarily affect production and sales in the Equipment segment and could potentially have a negative impact on planned growth. Additional uncertainties in all three segments for the further course of the business year are a result of significant price increases, rising interest rates and high inflation. This particularly applies to the second half of the current year.

Our plans and forecasts for 2022 are based on the assumptions that are described in detail in the 2021 Annual Report. As outlined in the 2021 Annual Report, we therefore continue to expect a significant increase in **total Group revenues** and **EBIT**.

Consolidated Income Statement and Statement of Comprehensive Income

INCOME STATEMENT

in EUR thousand	3M/2021	3M/2022
Sales revenues	302,992	364,506
Changes in inventories	27,702	33,692
Other own work capitalized	5,173	3,529
Other income	4,809	4,288
Consolidated revenues	340,676	406,015
Cost of materials	-165,656	-209,259
Personnel expenses	-104,881	-114,368
Other operating expenses	-47,080	-52,526
Income from shares accounted for using the equity method	2,857	2,579
Earnings before interest, tax, depreciation and amortization (EBITDA)	25,916	32,441
Depreciation and amortization		
a) Depreciation of fixed assets	-21,482	-25,877
b) Write-downs of inventories due to use	-2,637	-2,450
Earnings before interest and tax (EBIT)	1,797	4,114
Financial income	17,535	35,661
Financial expenses	-20,695	-30,847
Earnings before tax (EBT)	-1,363	8,928
Income tax expense	-3,758	-7,365
Earnings after tax	-5,121	1,563
of which attributable to shareholders of BAUER AG	-6,032	313
of which attributable to non-controlling interests	911	1,250

in EUR	3M/2021	3M/2022
Basic earnings per share	-0.32	0.01
Diluted earnings per share	-0.32	0.01
Average number of shares in circulation (basic)	18,844,066	24,612,964
Average number of shares in circulation (diluted)	18,844,066	24,612,964

STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	3M/2021	3M/2022
Earnings after tax	-5,121	1,563
Income and expenses which will not be subsequently reclassified to profit and loss		
Revaluation of obligations arising from employee benefits after termination of the employment relationship	12,532	16,296
Deferred taxes on that revaluation with no effect on profit and loss	-3,519	-4,576
Market valuation of other participations	0	0
Income and expenses which will be subsequently reclassified to profit and loss		
Market valuation of derivative financial instruments (hedging reserve)	-1,342	-616
Included in income and loss	1,352	492
Market valuation of derivative financial instruments (reserve for hedging costs)	145	-16
Included in income and loss	110	16
Deferred taxes on financial instruments with no effect on profit and loss	-75	35
Exchange differences on translation of foreign subsidiaries	7,896	-4,229
Other earnings after tax	17,099	7,402
Total comprehensive income	11,978	8,965
of which attributable to shareholders of BAUER AG	10,496	10,542
of which attributable to non-controlling interests	1,482	-1,577

CONSOLIDATED BALANCE SHEET (REDUCED)

Assets in EUR thousand	Mar. 31, 2021	Dec. 31, 2021	Mar. 31, 2022
Intangible assets	14,464	15,944	15,799
Property, plant and equipment	470,330	506,381	499,729
Investments accounted for using the equity method	78,099	81,881	82,589
Participations	10,761	10,803	10,803
Deferred tax assets	64,794	65,421	57,963
Trade receivables	12,293	8,540	8,933
Other non-current assets	7,725	9,221	10,259
Other non-current financial assets	14,113	23,920	24,129
Non-current assets	672,579	722,111	710,204
Inventories	473,471	457,489	495,529
Less advances received for inventories	-10,221	-10,770	-16,331
	463,250	446,719	479,198
Receivables and other assets	422,594	423,709	455,774
Effective income tax refund claims	2,336	4,287	3,762
Cash and cash equivalents	38,584	41,297	49,641
Non-current assets held for sale	36,103	1,370	1,370
Current assets	962,867	917,382	989,745
	1,635,446	1,639,493	1,699,949
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Equity and liabilities in EUR thousand	Mar. 31, 2021	Dec. 31, 2021	Mar. 31, 2022
Equity of BAUER AG shareholders	375,218	478,069	488,654
Non-controlling interests	1,137	3,007	1,430
Equity	376,355	481,076	490,084
Provisions for pensions	155,165	149,054	133,311
Financial liabilities	352,838	299,860	291,426
Provisions	10,000	8,001	7,970
Other non-current liabilities	6,285	7,523	8,053
Deferred tax liabilities	22,096	18,409	19,420
Non-current debt	546,384	482,847	460,180
Financial liabilities	301,667	302,605	282,869
Other current liabilities	357,961	317,214	414,391
Effective income tax obligations	22,345	22,159	19,368
Provisions	30,734	33,592	33,057
Current debt	712,707	675,570	749,685
	1,635,446	1,639,493	1,699,949
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in EUR thousand

	Other revenue reserves and retained earnings									
	Subscribed capital	Capital reserve	Revenue reserves	of foreign subsidiaries	Derivative financial instruments (hedging reserve)	Derivative financial instruments (reserve for hedging costs)	Equity instruments	Attributable to BAUER AG Shareholders	Non-controlling interests	Total
As at January 1, 2021	80,301	47,069	265,111	-27,651	-14	-3	-91	364,722	801	365,523
Earnings after tax	0	0	-6,032	0	0	0	0	-6,032	911	-5,121
Exchange differences on translation of foreign subsidiaries	0	0	0	7,325	0	0	0	7,325	571	7,896
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	12,532	0	0	0	0	12,532	0	12,532
Market valuation of other participations								0		0
Market valuation of derivative financial instruments	0	0	0	0	10	255	0	265	0	265
Deferred taxes with no effect on profit and loss	0	0	-3,519	0	-3	-72	0	-3,594	0	-3,594
Total comprehensive income	0	0	2,981	7,325	7	183	0	10,496	1,482	11,978
Changes in basis of consolidation	0	0	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0	-1,146	-1,146
Other changes	0	0	0	0	0	0	0	0	0	0
As at Mar. 31, 2021	80,301	47,069	268,092	-20,326	-7	180	-91	375,218	1,137	376,355
As at January 1, 2022	111,186	91,717	278,278	-11,629	1	-2	8,518	478,069	3,007	481,076
Earnings after tax	0	0	313	0	0	0	0	313	1,250	1,563
Exchange differences on translation of foreign subsidiaries	0	0	0	-1,402	0	0	0	-1,402	-2,827	-4,229
Revaluation of obligations arising from employee benefits after termination of the employment relationship	0	0	16,296	0	0	0	0	16,296	0	16,296
Market valuation of other participations	0	0	0	0	0	0	0	0		0
Market valuation of derivative financial instruments	0	0	0	0	-124	0	0	-124	0	-124
Deferred taxes with no effect on profit and loss	0	0	-4,576	0	35	0	0	-4,541	0	-4,541
Total comprehensive income	0	0	12,033	-1,402	-89	0	0	10,542	-1,577	8,965
Changes in basis of consolidation	0	0	0	0	0	0	0	0	0	0
Dividend payments	0	0	0	0	0	0	0	0	0	0
Other changes	0	43	0	0	0	0	0	43	0	43
As at Mar. 31, 2022	111,186	91,760	290,311	-13,031	-88	-2	8,518	488,654	1,430	490,084

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	3M/2021	3M/2022
Cash flows from operational activity:		
Earnings before tax (EBT)	-1,363	8,928
Depreciation of property, plant and equipment and intangible assets	21,482	25,877
Write-downs of inventories due to use	2,637	2,450
Financial income	-17,535	-35,661
Financial expenses	20,695	30,847
Other non-cash transactions and results of de-consolidations	8,718	20,126
Dividends received	1,752	1,880
Income from the disposal of property, plant and equipment and intangible assets	-91	-1,763
Income from shares accounted for using the equity method	2,857	2,579
Change in provisions	-306	-1,295
Change in trade receivables	4,476	13,382
Change in contract assets	-23,034	-30,639
Change in other assets and in prepayments and deferred charges	-10,115	-16,268
Change in inventories	-38,106	-35,767
Change in trade payables	21,335	30,035
Change in contract liabilities	-23,924	-10,462
Change in other current and non-current liabilities	-9,848	-544
Cash and cash equivalents generated from day-to-day business operations	-40,370	3,705
Income tax paid	-7,675	-9,759
Net cash from operating activities	-48,045	-6,054
Cash flows from investing activity:		
Purchase of property, plant and equipment and intangible assets	-43,037	-23,520
Proceeds from the sale of property, plant and equipment and intangible assets	11,306	8,706
Change in financial resources resulting from the basis of consolidation	0	0
Disbursements for the purchase of shares in joint ventures	-325	0
Net cash used in investing activities	-32,056	-14,814
Free Cash flow (Cash flow from operating activities + Cash flow from investing activities)	-80,101	-20,868
Cash flows from financing activity:		
Raising of loans and liabilities to banks	115,182	130,978
Repayment of loans and liabilities to banks	-37,261	-88,251
Repayment of liabilities from lease agreements	-542	-5,340
Incoming payments from equity contributions by shareholders of the parent company	0	0
Disbursements for transaction costs in connection with capital measures	0	0
Disbursements for the purchase of additional shares in subsidiaries	0	43
Dividends paid	-1,146	0
Interest paid	-5,453	-7,131
Interest received	710	1,038
Net cash used in financing activities	71,490	31,337
Changes in liquid funds affecting payments	-8,611	10,469
Influence of exchange rate movements on cash	1,180	-2,125
Total change in liquid funds	-7,431	8,344
Cash and cash equivalents at beginning of reporting period	46,015	41,297
Cash and cash equivalents at end of reporting period	38,584	49,641
Change in cash and cash equivalents	-7,431	8,344

FUTURE-RELATED STATEMENTS

This quarterly statement contains some future-related statements. Future-related statements are any statements which do not relate to historical facts and events, such as statements about future financial earning power, about plans and expectations with regard to the development of the business of the BAUER Group and about the general economic climate or other factors to which the Group is subject. The use of words such as “believe”, “expect”, “predict”, “intend”, “forecast”, “plan”, “estimate”, “aim”, “likely”, “assume” and similar language indicates that the statements in question are future-related. Future-related statements are subject to risks and many uncertainties which may mean that actual developments, earnings or levels of income or revenue which are achieved differ widely from the developments, income or revenues explicitly or implicitly assumed in the future-related statements.

Readers are advised that, in view of the said risks and uncertainties, no inappropriately high degree of confidence should be placed in the likelihood of such statements proving to be accurate in the future. BAUER Aktiengesellschaft does not intend to, and assumes no obligation to, publish updates of such future-related statements in order to incorporate events or circumstances beyond the date of publication of this quarterly statement.

2022 FINANCIAL CALENDAR

March 7, 2022	Preliminary figures business year 2021
April 7, 2022	Publication Annual Report 2021 Annual Press Conference Analysts' Conference
May 12, 2022	Quarterly Statement Q1 2022
June 23, 2022	Annual General Meeting
August 11, 2022	Half-Year Interim Report to June 30, 2022
November 11, 2022	Quarterly Statement 9M/Q3 2022

You can find more information on the BAUER Group online at www.bauer.de.

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