

Quarterly Statement

Q1 2023



At a glance

GROUP KEY FIGURES

in EUR million	3M/2022	3M/2023	Change
Total Group revenues	417.9	513.0	22.8%
Sales revenues	364.5	450.3	23.5%
Order intake	532.0	500.2	-6.0%
Order backlog	1,478.5	1,432.2	-3.1%
EBITDA	32.4	56.8	75.3%
EBIT	4.1	30.6	n/a
Earnings after tax	1.6	4.9	n/a
Total assets	1,699.9	1,699.0	-0.1%
Equity	490.1	498.2	1.7%
Employees (reporting date)	11,952	12,029	0.6%

The total Group revenues presented here, in contrast to the consolidated revenues presented in the Consolidated Income Statement, include revenue components from associated companies as well revenue from non-consolidated subsidiaries and consortia.

Significant events and transactions

GROUP

At the end of the first quarter of 2023, the **total Group revenues** of the BAUER Group increased by 22.8%, from EUR 417.9 million to EUR 513.0 million, compared to the same period in the previous year. This was attributable to all three segments, but in particular to the Construction segment. At EUR 30.6 million, **EBIT** was very significantly above the previous year's value of EUR 4.1 million.

Overall, the BAUER Group had a good start to the current financial year. The Equipment segment continued the positive business performance of the previous year in the first quarter of 2023. The Resources segment also had a good start, and in the Construction segment, the Middle East in particular is responsible for a solid start to the year.

The Group's **earnings after taxes** improved to EUR 4.9 million (previous year: EUR 1.6 million). At EUR -16.9 million, the financial result changed considerably in the first quarter of the current year compared to the previous year (EUR +4.8 million). In this context, interest rate hedging transactions had a negative influence, as these must be valued in the balance sheet according to the development of market interest rates. Since the market interest rates decreased again compared with the end of 2022, this created a negative effect of EUR 2.5 million on earnings after taxes after the first quarter (same period of the previous year: positive effect of EUR 7.8 million).

The **order backlog** in the Group decreased slightly by 3.1% compared with the reference period in the previous year, from EUR 1,478.5 million to EUR 1,432.2 million, yet remains at a high level. The **order intake** fell by 6.0% from EUR 532.0 million to EUR 500.2 million.

CONSTRUCTION SEGMENT

in EUR thousand	3M/2022	3M/2023	Change
Total Group revenues	183,832	237,262	29.1%
Sales revenues	174,608	222,227	27.3%
Order intake	204,066	241,791	18.5%
Order backlog	865,727	857,095	-1.0%
EBIT	-2,571	14,522	n/a

At EUR 237.3 million, **total Group revenues** in the Construction segment were up significantly by 29.1% compared to the previous year's value of EUR 183.8 million. **EBIT** was very significantly in the positive range at EUR 14.5 million compared to the same period in the previous year at EUR -2.6 million.

The increase in total Group revenues is due to processing the solid order backlog, particularly in the Middle East. Overall, the operative performance in most markets was positive at the start of the year. The very significant increase in earnings is mainly driven by large projects in the Middle East, particularly in Saudi Arabia.

Independently of this, work is still underway to optimize the international position and earnings growth. In this year as well, individual international subsidiaries will be closed.

Order backlog in the Construction segment fell only slightly by 1.0% from EUR 865.7 million in the previous year to EUR 857.1 million. The order backlog here is well distributed around the world, with extensive orders in the inventory

particularly in the Middle East. In Germany, a decrease has been recorded in the last several months. At EUR 241.8 million, the **order intake** rose significantly compared to the previous year's EUR 204.1 million.

EQUIPMENT SEGMENT

in EUR thousand	3M/2022	3M/2023	Change
Total Group revenues	191,535	226,019	18.0%
Sales revenues	136,501	164,473	20.5%
Order intake	239,344	219,152	-8.4%
Order backlog	225,608	215,194	-4.6%
EBIT	9,017	13,970	54.9%

In the first quarter, **total Group revenues** in the Equipment segment increased considerably by 18.0%, from EUR 191.5 million to EUR 226.0 million, when compared to the previous year. **EBIT** increased considerably compared to the previous year, from EUR 9.0 million to EUR 14.0 million, due to the increase in revenue.

The Equipment segment recorded a good start to the year and was able to continue the positive business performance of the last year. No major effects have been noticeable so far on the order behavior among customers as a result of Russia's war against Ukraine, inflation or increasing interest rates. Nevertheless, persistently high costs for primary products and energy have an impact on the earnings figures. The market in China continues to be challenging due to the local construction market.

Order backlog decreased slightly by 4.6%, from EUR 225.6 million in the previous year to EUR 215.2 million. **Order intake** decreased by 8.4% to EUR 219.2 million, compared to the very good figure of EUR 239.3 million in the previous year.

RESOURCES SEGMENT

in EUR thousand	3M/2022	3M/2023	Change
Total Group revenues	58,700	68,082	16.0%
Sales revenues	52,828	63,227	19.7%
Order intake	104,742	57,686	-44.9%
Order backlog	387,198	359,932	-7.0%
EBIT	-1,336	2,685	n/a

At EUR 68.1 million, **total Group revenues** in the Resources segment were up by 16.0% after the first quarter, compared to the previous year's EUR 58.7 million. **EBIT** increased from EUR -1.3 million to EUR 2.7 million. The segment had a good start to the new year. All business areas recorded positive development that was within expectations.

Order backlog decreased by 7.0% compared to the previous year, from EUR 387.2 million to EUR 359.9 million. The **order intake** decreased by 44.9% from EUR 104.7 million to EUR 57.7 million, as this period in the previous year included very large orders for the area of mining.

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 2023, the **total assets** of the Group amounted to EUR 1,699.0 million and were thus at the same level as the previous year's value of EUR 1,699.9 million. Compared with the previous year, there were changes on the asset side particularly in inventories (EUR +26.4 million), receivables and other assets (EUR +56.8 million), non-current financial assets (EUR -75.1 million) and property, plant and equipment (EUR -21.5 million).

On the liabilities side, **equity** increased slightly from EUR 490.1 million to EUR 498.2 million, yet was considerably higher than the 2022 year-end level of EUR 402.3 million. Thus the Group's **equity ratio** was 29.3% after the first quarter of 2023 (previous year: 28.8%). This was largely due to the capital increase carried out in March 2023 (EUR +101.4 million). As a result of this, the shareholder structure of BAUER AG changed significantly. Since then, SD Thesaurus GmbH and Doblinger Beteiligung GmbH, which act together, hold 52.8% of the shares in BAUER AG. For this reason, SD Thesaurus GmbH will issue a mandatory offer to the remaining shareholders, which at the same time is also designed as a delisting acquisition offer. The Executive Board of BAUER AG decided in April 2023 to support the delisting sought by SD Thesaurus GmbH.

Moreover, on the liabilities side there was a reduction in non-current liabilities (EUR -58.0 million), while in contrast the current liabilities increased by EUR 49.0 million. The **short and long-term liabilities to banks** decreased by a total of EUR 31.4 million compared to the same period in the previous year.

Because the covenants for primary loans were exceeded as of the end of 2022, in the annual financial statements these loans were transferred from non-current liabilities to current liabilities to banks. As an agreement was reached with the financing partners in the first quarter of 2023, it was possible to transfer these loans back from current liabilities to non-current liabilities accordingly.

Full-year outlook

The outlook for the 2023 financial year has not changed since publication of the 2022 Annual Report in April. In total, the construction and equipment markets recorded growth in the year gone by that is expected to continue.

In the Construction segment, infrastructure projects based on state investments regularly offer interesting opportunities for individual large projects. The current very good order backlog in this segment fundamentally indicates a positive course of business. We also anticipate the development of the equipment markets in line with the construction markets. For the markets of our Resources segment, we anticipate a good performance for 2023 as these also proved highly robust and stable in the past year.

The largest uncertainty factors for the Group are the further development of Russia's war against Ukraine, potential further consequences arising from this for the global economy, high inflation, as well as increased interest rates and prices for raw materials and energy. In our view, these issues will continue to be potential major influencing factors throughout the entire year, which may negatively influence our own business and our equipment customers. This also applies to the weakening of the construction market in Germany. As these topics could have a very considerable influence that is scarcely possible to estimate, we continue to proceed with caution in our expectations for the current business year.

The good start to the year is a solid foundation but does not change our cautious outlook for this year.

Our plans and forecasts for 2023 are based on the assumptions that are described in detail in the 2022 Annual Report. As outlined in the 2022 Annual Report, we therefore continue to expect a slight decrease in **total Group revenues** and **EBIT** between EUR 35 and 60 million.

Consolidated interim financial statements

CONSOLIDATED INCOME STATEMENT

in EUR thousand	3M/2022	3M/2023
Sales revenues	364,506	450,332
Changes in inventories	33,692	35,458
Other own work capitalized	3,529	3,786
Other income	4,288	7,644
Consolidated revenues	406,015	497,220
Cost of materials	-209,259	-272,494
Personnel expenses	-114,368	-113,518
Other operating expenses	-50,831	-56,676
Impairments and Impairment Reversals in accordance to IFRS 9	-1,695	592
Income from shares accounted for using the equity method	2,579	1,700
Earnings before interest, tax, depreciation and amortization (EBITDA)	32,441	56,824
Depreciation and amortization		
a) Depreciation of fixed assets	-25,877	-23,575
b) Write-downs of inventories due to use	-2,450	-2,617
Earnings before interest and tax (EBIT)	4,114	30,632
Financial income	35,661	11,461
Financial expenses	-30,847	-28,378
Earnings before tax (EBT)	8,928	13,715
Income tax expense	-7,365	-8,805
Earnings after tax	1,563	4,910
of which attributable to shareholders of BAUER AG	313	4,138
of which attributable to non-controlling interests	1,250	772

in EUR	3M/2022	3M/2023
Basic earnings per share	0.01	0.16
Diluted earnings per share	0.01	0.16
Average number of shares in circulation (basic)	24,612,964	26,619,711
Average number of shares in circulation (diluted)	24,612,964	26,619,711

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in EUR thousand	3M/2022	3M/2023
Earnings after tax	1,563	4,910
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	16,296	0
Deferred taxes on that revaluation with no effect on profit and loss	-4,576	0
Market valuation of other participations	0	0
Deferred taxes on other participations with no effect on profit and loss	0	0
Income and expenses which will be subsequently reclassified to profit and loss		
Market valuation of derivative financial instruments (hedging reserve)	-616	-420
Included in income and loss	492	307
Market valuation of derivative financial instruments (reserve for hedging costs)	-16	60
Included in income and loss	16	-81
Deferred taxes on financial instruments with no effect on profit and loss	35	38
Exchange differences on translation of foreign subsidiaries	-4,229	-10,299
Other earnings after tax	7,402	-10,395
Total comprehensive income	8,965	-5,485
of which attributable to shareholders of BAUER AG	10,542	-2,760
of which attributable to non-controlling interests	-1,577	-2,725

CONSOLIDATED BALANCE SHEET (SUMMARIZED)

Assets

in EUR thousand	Mar. 31, 2022	Dec. 31, 2022	Mar. 31, 2023
Intangible assets	15,799	16,837	16,706
Property, plant and equipment	499,729	481,743	478,251
Investments accounted for using the equity method	82,589	58,581	61,945
Participations	10,803	2,106	2,106
Deferred tax assets	57,963	33,218	33,717
Trade receivables	8,933	1,056	1,070
Other non-current assets	10,259	8,292	8,784
Other non-current financial assets	24,129	35,747	32,496
Non-current assets	710,204	637,580	635,075
Inventories	495,529	499,004	516,831
Less advances received for inventories	-16,331	-8,995	-11,199
	479,198	490,009	505,632
Contract assets	150,162	96,384	127,710
Trade receivables	228,188	262,056	297,648
Receivables from enterprises in which the company has participating interests	1,329	1,845	2,135
Prepayments	9,620	13,931	13,753
Other current assets	49,596	46,946	46,782
Other current financial assets	16,879	22,441	24,530
Effective income tax refund claims	3,762	4,156	3,135
Cash and cash equivalents	49,641	44,607	42,637
Non-current assets held for sale	1,370	0	0
Current Assets	989,745	982,375	1,063,962
	1,699,949	1,619,955	1,699,037

Equity and liabilities

in EUR thousand	Mar. 31, 2022	Dec. 31, 2022	Mar. 31, 2023
Equity of BAUER AG shareholders	488,654	383,941	482,559
Non-controlling interests	1,430	18,370	15,645
Equity	490,084	402,311	498,204
Liabilities to banks	234,108	58,431	219,308
Liabilities from lease agreements	43,600	45,368	43,275
Other provisions	7,970	0	0
Provisions for pensions	133,311	102,461	102,877
Other non-current liabilities	8,053	9,341	10,045
Other non-current financial liabilities	13,718	11,522	9,231
Deferred tax liabilities	19,420	10,729	9,427
Non-current debt	460,180	237,852	394,163
Liabilities to banks	243,209	401,819	226,588
Liabilities from lease agreements	18,444	26,234	22,932
Contract liabilities	66,890	89,112	88,352
Trade payables	231,574	230,836	247,719
Liabilities to companies and participations accounted for using the equity method	27,958	27,660	29,321
Other current liabilities	87,969	105,521	87,549
Other current financial liabilities	21,216	15,806	21,080
Effective income tax obligations	19,368	35,314	40,715
Other provisions	29,740	43,976	38,899
Provisions for pensions	3,317	3,514	3,515
Current debt	749,685	979,792	806,670
	1,699,949	1,619,955	1,699,037

CONSOLIDATED STATEMENT OF CASH FLOWS

in EUR thousand	3M/2022	3M/2023
Cash flows from operational activity:		
Earnings before tax (EBT)	8,928	13,715
Depreciation of property plant and equipment and intangible assets	25,877	23,575
Writedowns of inventories due to use	2,450	2,617
Impairment losses and reversals in accordance to IFRS ⁹	1,695	-592
Financial income	-35,661	-11,461
Financial expenses	30,847	28,378
Other noncash transactions	18,431	1,684
Dividends received	1,880	1,534
Income from the disposal of property plant and equipment and intangible assets	-1,763	-1,271
Income from shares accounted for using the equity method	2,579	1,700
Change in provisions	-1,295	-15,227
Change in trade receivables	13,382	-43,271
Change in contract assets	-30,639	-33,152
Change in other assets and in prepayments and deferred charges	-16,268	1,258
Change in inventories	-35,767	-24,192
Change in trade payables	30,035	20,007
Change in contract liabilities	-10,462	-2,733
Change in other current and noncurrent liabilities	-544	-17,080
Cash and cash equivalents generated from daytoday business operations	3,705	-54,511
Income tax paid	-9,759	-3,423
Net cash from operating activities	-6,054	-57,934
Cash flows from investing activity:		
Purchase of property plant and equipment and intangible assets	-23,520	-28,094
Proceeds from the sale of property plant and equipment and intangible assets	8,706	7,381
Change in financial resources resulting from the basis of consolidation	0	-3,375
Net cash used in investing activities	-14,814	-24,088
Free Cash flow	-20,868	-82,022
Cash flows from financing activity:		
Raising of loans and liabilities to banks	130,978	75,267
Repayment of loans and liabilities to banks	-88,251	-87,231
Repayment of liabilities from lease agreements	-5,340	-8,022
Incoming payments from equity contributions by shareholders of the parent company	0	101,674
Payments for transaction costs related to corporate actions	0	-296
Disbursements for the purchase of additional shares in subsidiaries	43	0
Interest paid	-7,131	-6,885
Interest received	1,038	994
Net cash used in financing activities	31,337	75,501
Changes in liquid funds affecting payments	10,469	-6,521
Influence of exchange rate movements on cash	-2,125	4,551
Total change in liquid funds	8,344	-1,970
Cash and cash equivalents at beginning of reporting period	41,297	44,607
Cash and cash equivalents at end of reporting period	49,641	42,637
Change in cash and cash equivalents	8,344	-1,970

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.

2023 FINANCIAL CALENDAR

March 6, 2023	Preliminary figures 2022 financial year
April 5, 2023	Publication of Annual Report 2022, annual press conference Analysts' Conference
May 11, 2023	Quarterly Statement Q1 2023
August 3, 2023	General Meeting
August 10, 2023	Half-Year Interim Report June 30, 2023
November 10, 2023	Quarterly Statement 9M/Q3 2023

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

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