



RWA

Values connect us

Annual Report

2022

Annual Report 2022

Key figures for the Management Report 2022

Sales by business segment (TEUR)	2022	2021
Total	4,026,954	2,951,312
Agriculture	2,247,935	1,690,176
Technology	293,590	326,450
Building materials	63,770	56,067
Home & Garden stores	184,688	175,028
Energy	1,223,441	693,116
Digital Farming	110	128
Other	13,420	10,347

Sales by region (TEUR)	2022	2021
Total	4,026,954	2,951,312
Austria	2,610,491	1,926,280
Germany	121,407	101,421
Remaining European Union	970,747	758,837
Other countries	324,309	164,774

Other key figures (TEUR)	2022	2021
Profit before tax (TEUR)	54,210	28,500
Employees (average)	3,023	2,614

Your link to the consolidated financial statements QR-Code

In order to keep this annual report streamlined and compact, we've made it possible for you to find the complete consolidated accounts with all tables on the RWA website at www.rwa.at/annualreport or by simply scanning the QR Code.



Summary

The 2022 financial year was marked by the most difficult challenges: Russia's tragic war against Ukraine, the outcome of which seems completely open, triggered huge increases in energy and commodity prices.

As a result, there was turmoil in the financial markets and the inflation rate rose to more than ten per cent. The supply chain problems from the time of the pandemic were slow to dissipate. The fact that RWA Raiffeisen Ware Austria succeeded in achieving an above-average pre-tax result of EUR 54.2 million in this environment is proof of the Group's resilience and its robust business model. This is based on diversity, controlled growth and customer and supplier relationships that have been cultivated over decades.

The overall above-average business success in 2022 can be explained by the good development of the subsidiaries in the CEE region, excellent work in all business areas and the tailwind of the market. A regular repetition at this level is not to be expected, but a long-term upward trend is.



Agriculture

In the traditional core area of RWA, price risks and also financing costs have risen dramatically. Agricultural production resources such as fertiliser and fuel saw high price jumps. On the other hand, grain and oilseeds achieved very good revenues. High prices of feed placed a burden on pig farmers. Thanks to the sustainable RWA strategy, agriculture could always be sure of its supply of fertiliser and other farm inputs. Major customers in the milling and food industries were also able to rely on the fact that all supply agreements would be complied with.



Technology

After the exceptionally strong years of 2020 and 2021, which were characterised by the investment incentives of the coronavirus aid, the technology sector normalised at a good level in the 2022 financial year. Farmers' purchasing power remains high. The exclusive John Deere brand was able to achieve market leadership in the important segment of tractors with over 150 hp. Agricultural robots have proven themselves in field tests. More and more digital services increase the efficiency of agricultural production.



Energy

No sector was more affected by exorbitant price increases than energy. The Ukraine war accelerated a development that had already begun in the months before. The sanctions against Russia and an accident-related shutdown at the Schwechat refinery caused supply bottlenecks. Pellets were hoarded. Thanks to RWA's sustainable strategy, the warehouse cooperatives were nevertheless supplied at all times. RWA Solar Solutions has established itself as one of the largest project developers for PV systems.



Home & Garden

The Home & Garden stores of the Lagerhaus cooperatives continue to be extremely popular. The large range of plants and garden care products is readily embraced. New construction projects and store modernisations further increase the attractiveness.



Building Materials

After two exceptional years, 2022 also saw a normalisation at a high level in the building materials trade. At the beginning of the year, there were still increased supply chain problems. Over time, the sharp price increases for building materials led to a noticeable reluctance to buy. Large construction projects were postponed.



Foreword by the Supervisory

Austria's first warehouse cooperative was founded in Pöchlarn 125 years ago, and others followed within a few months. The wave of founding was the answer to a more than depressing situation of the farmers at that time, who were often highly indebted, cheated by traders and exposed to great international competition for the first time.

Since then, agriculture has experienced many waves of change. Today, too, we feel the structural change: many small farms are closing down, the rest are farming ever larger areas. The warehouse cooperatives have gone along with all these developments, adapted and always provided both large and small farms with everything they needed for production at the time.

In the 1970s, the cooperatives were allowed to open up to non-members. The home and garden market, building materials trade and energy areas were set up to complement agriculture and technology. Today, the Lagerhaus brand stands for important regional companies and local suppliers with a wide range of products for the rural population. They work closely together with RWA Raiffeisen Ware Austria.

Deeply rooted in the region, optimally networked to handle big tasks – that is the formula that allows us to be successful even in these challenging times. As the new Chairman of the RWA Supervisory Board, I would like to thank my predecessor Johann Lang for his great commitment. Together with the Executive Board, I will work to drive RWA's successful course forward.

Michael Göschelbauer

A handwritten signature in black ink, appearing to read 'Michael Göschelbauer', written over a white background.



Foreword by the Executive Board



A bloody war in Europe, the long-term consequences of a global pandemic, unsettled financial markets, inflation that hasn't seen its likes in 70 years – the general conditions could hardly be more uncertain. Nevertheless, RWA Raiffeisen Ware Austria was able to close the 2022 financial year on a positive note and with an extraordinary result. There were several reasons for this: Even in difficult times, we are able to reap the rewards of our long-term strategy, which focuses on diverse and strong business segments as well as on well-considered and sustainable growth. The subsidiaries in Eastern and South-Eastern Europe strengthen our agricultural focus. They are being continuously developed and contribute significantly to our success. With the acquisition of the Serbian compound feed company Patent, the largest investment in RWA's history to date, we have set another milestone in the feed sector.

RWA forms a strong alliance with the warehouse cooperatives: the cooperatives supply farmers and the rural population in their respective areas with a comprehensive range of products, and RWA in turn is a reliable partner for the cooperatives and takes the lead in all tasks that can be better solved together. This is subsidiarity in action and requires a lot of trust and mutual understanding.

This common basis has become even broader and more resilient in these past challenging years. The excellent collaboration will also be reflected in 2023 in a new, uniform internet presence of all warehouse cooperatives from Lake Neusiedl to Lake Constance. I would like to take this opportunity to thank all cooperative members and officials, the chairpersons and managing directors for their trusting cooperation. This is our greatest strength.

I would also like to thank the members of the Supervisory Board and its long-standing Chairman Johann Lang for his commendable work. In close consultation with his successor Michael Göschelbauer, we will continue to fine-tune RWA's successful course – based on our clear corporate values – because in a vibrant economy there is no standing still. The strategic partnership with BayWa will also provide us with valuable support in this regard.

Last but not least, my sincere thanks go to the employees of RWA, our subsidiaries and the warehouse cooperatives. Their knowledge, willingness to perform and loyalty are the driving forces behind our success. In order to perform well as a group on a large scale, excellent work must be done at many levels in many small units. And we have succeeded.

Even if we cannot influence the overall international conditions, we are agile enough as a company to adapt and constantly develop – to ensure supply, to use the opportunities of digitalisation, to grow with a sense of proportion and to continuously improve under the aspect of sustainability.

With the basic idea of the cooperative – to bundle the strength and creativity of many in order to achieve more together – we are also equipped for difficult times.

DI Reinhard Wolf

A handwritten signature in black ink, consisting of a series of loops and a long, sweeping tail that extends downwards and to the right.





The Managing Board and its responsibilities

DI Reinhard Wolf,

CEO and Chairman of the Executive Board

- Seeds/Wood
- Agricultural Products
- Animal Feed
- Legal/Compliance
- Human Resources
- Administration/Property Management
- CEE Investments
- Communications
- Verbund/Corporate Development

Stefan Mayerhofer,

Member of the Executive Board

- Home & Garden
- Building Materials
- Logistics
- Organisation/Informatics
- Finance/Controlling
- BayWa Vorarlberg
- RLG

DI Christoph Metzker,

Member of the Executive Board

- Technology
- Energy
- Farm Inputs
- Farming Innovations
- Agricultural Marketing
- Marketing

DI Christoph Metzker, Executive Board Member
DI Reinhard Wolf, CEO
Stefan Mayerhofer, Executive Board Member



Outlook

Russia's war against Ukraine and what it will bring in future makes it difficult to make any reliable forecast for the 2023 financial year. These completely unpredictable developments will have a strong influence on commodity prices, on the development of interest rates and on the humanitarian situation as a whole. In addition, there are other geopolitical trends that are causing great uncertainty: the increasing tensions between the USA and China, the America First course, the increasing nationalism around the globe. A world that is drifting apart politically is a risk for the globalised world economy with all its close interconnections.

For RWA Raiffeisen Ware Austria, the challenge is to manage this uncertainty, which is outside our influence. 2023 will therefore be a year of consolidation, without planned leaps in growth. As a consortium that can be affected by many factors, we will „drive on sight“.

One social megatrend that also affects us as a major market player is the increasing shortage of qualified employees. The generation that is now entering the labour market is small in terms of numbers and starting work later due to ever longer training periods. This generation also often has different ideas of work-life balance, making it more difficult to fill all positions in the company. RWA will continue to be committed in the recruiting area.

Agriculture

We expect volatility to subside, prices to gradually normalise, and the supply chain issues to be resolved. Our top priorities are still supplying Austrian farmers with all the inputs they need, and marketing their products. In view of the higher financing requirements, the solid positioning of RWA is a decisive advantage. In Pöchlarn, a plant is being built that combines maize storage, maize drying, innovative animal feed production, a pellet store including a transshipment point and pellet-fuelled steam generation. The close collaboration between the agriculture and energy sectors enables completely new synergies. A new seed plant is being built in Rumenka, Serbia. We continue to test robots for practical agricultural use. FarmHedge, the trading and communication channel of the warehouse cooperatives to the farmers, is being further expanded.

Technology

High-performance machines that make use of all the possibilities digitalisation offers remain the focus of agricultural technology. The still high purchasing power of farmers and the requirements of growing farms lead us to expect stable demand.

Building Materials

RWA takes over the franchise licensor for Town & Country in Austria. The successful system house provider completes the product and service range in the areas of building materials and home & garden. Town & Country Haus stands for comprehensive franchise know-how in the field of planning, building and selling energy-saving detached and semi-detached houses. At the same time, the warehouse cooperatives focus on renovation in order to preserve existing substance and increase energy efficiency.

House & Garden

Under the title Future Now, RWA is revising the warehouse franchise strategy. The goal is to increase space productivity by introducing a new assortment mix, optimising the format store concept, improving distribution management and advisory services, and incorporating new omni-channel elements. All analogue, digital and stationary channels will be used to interact with customers. In spring, the website lagerhaus.at will be relaunched. All Lagerhaus cooperatives will then have a uniform appearance.

Energy

The envisaged transformation of the energy supply remains a central topic. With the purchase of PelletsOne, based in Wiener Neustadt, and the pellet terminal being built in Pöchlarn, RWA is further expanding its market leadership in the supply of pellets and wood briquettes. RWA Solar Solutions has established itself as a leading project developer of large PV systems and is enjoying great demand in this future market.

In 2023, we will celebrate 125 years of the Lagerhaus organisation and 125 years of the Raiffeisen Association. This long tradition of customer and supplier relationships, the cooperative idea, our value system and the close cooperation with the warehouse cooperatives give us stability in uncertain times. It will not be possible to repeat the result of 2022 on a regular basis. However, we expect a continuous upward development of RWA:

Korneuburg, 20 March 2023



DI Reinhard Wolf,
CEO and Chairman of
the Executive Board



Stefan Mayerhofer,
Member of the Executive Board



DI Christoph Metzker,
Member of the Executive Board

