

New Perspectives

KEY NUMBERS FOR THE RWA GROUP

TURNOVER FOR EACH BUSINESS SEGMENT (TEUR)	2020	2019
TOTAL	2,375,416	2,536,505
Agriculture	1,410,536	1,389,469
Machinery	239,406	245,268
Building Materials	39,140	31,407
Home & Garden	131,751	113,968
Energy	550,092	751,075
Digital Farming	114	224
Others	4,377	5,094

TURNOVER FOR EACH REGION (TEUR)	2020	2019
TOTAL	2,375,416	2,536,505
Austria	1,505,999	1,776,907
Germany	90,330	65,072
Other EU Countries	621,139	560,934
Non EU Countries	157,948	133,592

OTHER KEY NUMBERS	2020	2019
Pre-tax earnings (TEUR)	22,377	22,072
Employees (average)	2,312	2,288

YOUR LINK TO THE CONSOLIDATED FINANCIAL STATEMENT

This Annual Report is now published in a slimmer and more compact form. You can find the complete consolidated accounts with all tables on the RWA website at www.rwa.at/annualreport-2020 or by scanning this QR Code.



Executive Summary

The financial year of 2020 was marked by the unprecedented challenge of the Covid-19 pandemic. It was necessary to survive long periods of lockdown, to implement a multitude of statutory requirements and to deal with massive restrictions on working processes. This crisis also underlined the wisdom of the group's diversification strategy. While some areas, such as food production, were hit hard and the dividends from the bank shareholdings were omitted, other segments proved themselves to be extremely robust and profited, over the course of the year, from catch-up effects. Overall, the group once again succeeded in reaching its targets. In view of the exceptional circumstances, the pre-tax earnings of 22.4 million euros are extremely satisfying. Special thanks are due to all employees.

AGRICULTURE

During the entire year, RWA was able to fully meet its mandate to supply the agricultural sector. All necessary agricultural input materials were available at all times. Overall, the agricultural sector enjoyed a solid year with a good harvest. It was only at the end of the year, however, that the prices of agricultural products began to rise. The processing of dairy products remained at a good and stable level. The closure of restaurants and hotels led to a fall in the domestic sales of meat products but this was cushioned by exports. The feed business performed very positively. Our subsidiaries in the CEE Region also contributed to these good results.

MACHINERY

The agricultural machinery business suffered under the adverse conditions. The general sense of insecurity reduced the readiness of farmers to invest. Ongoing structural change also resulted in falling unit sales. The Lagerhaus Technik-Center is pushing forward with the expansion of its competence centres and of the range of digital services on offer to farmers.

BUILDING MATERIALS

This crisis year offered the Lagerhaus organisation another opportunity to successfully fulfil its role as a

local supplier to rural regions. High levels of product availability and an efficient delivery service led to increasing sales.

HOME & GARDEN

The temporary closures of the Lagerhaus Home & Garden Centres represented a commercial stress test. However, thanks to the high level of flexibility of the cooperatives, the click & collect option and the heavy demand for the range offered by the Lagerhaus online shop, this test was passed with flying colours. As a result of the intensified cocooning effect during the periods of curfew, many people invested in their apartment, house and garden.

ENERGY

Reduced traffic levels during the crisis led to a significant decline in the volume of fuels sold. In contrast with this, sales of heating oil rose: As a result of the very low prices many households filled their tanks. The involvement in the photovoltaic sector developed very satisfactorily. A four-hectare site in Pöchlarn was selected for the erection of a PV plant with elevated panels, below which agricultural growing trials are also being carried out. This represents a field test of the relationship between agricultural and energy production.

SHAREHOLDINGS

RWA acquired BayWa AG's shares in BayWa Vorarlberg Handels GmbH (51 per cent), with which the company already enjoyed close commercial ties. This strengthens the role of the Austrian group. RWA's shareholding in AgrarCommander is a further important element of the digitalisation strategy.

INNOVATIONS

Digital apps such as FarmHedge and Lagerhaus Wetter are constantly being used more intensively and developed further. And RWA has also entered into a sales partnership with Naio Technologies, one of the leading suppliers in the area of agricultural robotics.



FOREWORD FROM THE SUPERVISORY BOARD

2020, the year of the pandemic, once again demonstrated the strength and the solidarity of the Lagerhaus Group. Thanks to intelligent management and extremely loyal employees we were able to master the challenges of the crisis. And, for this, I would like to express my heartfelt gratitude to all.

But last year we also reached a milestone in the history of RWA Raiffeisen Ware Austria – 27 years after the company was founded we have moved to our own home, on our own land in Korneuburg, surrounded by key business units.

This coming together in a single location will strengthen the identification of employees with RWA even further. They can now cooperate even more closely and become better acquainted with the specifics of the different business segments. The Lagerhäuser and our partners BayWa have also found a new home and point of contact in Korneuburg.

I must offer a special vote of thanks to the Executive Board, which realised the Campus Korneuburg in an extremely successful manner and has created lasting value for the entire group. I would also like to thank Professor Lutz (BayWa AG), ÖR Ing. Hubauer and ÖR Hausleitner. They fully supported the project from the very start and ensured that decisions were taken unanimously. This solidarity is our strength.

ÖR DI Dr. Johann Lang

Foreword

One cannot prepare for a pandemic and all its consequences. One requires the ability to react quickly, to be flexible and to take speedy decisions. In the difficult year of 2020, RWA Raiffeisen Ware Austria and the entire Lagerhaus organisation demonstrated that they are stable and able to master a crisis. And this is something of which we can all be very proud.

At RWA we established task forces, coordinated closely with the authorities and informed the Lagerhäuser about all measures. Thanks to excellent cooperation with all our partners we were able to overcome logistical challenges and meet our supply mandate at all times. In doing so, the group made a decisive contribution to safeguarding Austria's food supply.

As a modern company we already had a well-thought-out home office policy before the onset of the crisis and equipped our employees accordingly. Hence, we were able to keep our operations running decentrally, even during periods of lockdown.

Looking back over the past year we would like to offer our sincere thanks: to all the employees of RWA, its subsidiaries and all Lagerhaus cooperatives for their resolute commitment, loyalty and readiness to break new ground; to the members of the Supervisory Board for their support in these exceptional times; to the members and officials of the cooperatives, the chairpersons and managing directors for their dependable cooperation; to our clients and partners for their loyalty; and, not least, to BayWa for the very real appreciation that they show towards RWA and the Lagerhaus Group.



Cooperatives have traditionally been established during times of crisis, as a result of which they have a high level of structural resilience. This resilience, together with the cooperative model of operating regionally and accepting responsibility, survived a further stress test in 2020. In this extraordinary situation, the cooperatives also underlined their importance as reliable partners of farmers and the wider population and also as local suppliers and as a stabilising factor. In any event, the reputation and the significance of the cooperative idea have grown further.

The pandemic has drawn public attention away from global political events that will decisively impact upon how we do business and simply live together, such as the United Kingdom's final exit from the EU, the election of the new US President Joe Biden, China's aspiration to superpower status and our attempts to contain climate change. Even if our current efforts are focussed on mastering the Covid-19 crisis, these developments are always kept under review.

One highlight of 2020 was the relocation of the RWA corporate headquarters to Korneuburg. A large number of business units are now united in one location. On the following pages we would like to present to you the Campus Korneuburg and the new perspectives that this opens up for us.

In line with the internationality of the group, key parts of the report are once again available to you in English this year. Gain your own impression of the comprehensive activities of RWA.

DI Reinhard Wolf, CEO, Stefan Mayerhofer & DI Christoph Metzker, Executive Board Members

New Perspectives



KEYFACTS

- ◆ **15 hectares** of usable area
- ◆ Space for **700 employees**
- ◆ **10 minutes** by foot to the station, directly accessible from the A22 motorway
- ◆ **Innovative building technology:** Photovoltaic plant, geothermal probes for air conditioning the building & a fresh air system

CAMPUS KORNEUBURG

The new headquarters of RWA Raiffeisen Ware Austria are located in an elegantly curving eight-storey building just a few hundred metres from the heart of Korneuburg. The landmark building, which can be seen from far and wide, has been the centrepiece of the Campus Korneuburg since November 2020.

The entire campus site covers around 15 hectares and is home to a number of key business units: the seed production plant and store for both organic and conventional seeds, the technical spare parts store for tyres and workshop supplies, the Lagerhaus Technik-Center (LTC) with integrated John Deere World, the hazardous goods logistics centre and the flagship Lagerhaus Home & Garden Centre for Korneuburg and the surrounding region. Around 700 employees work on the campus.



By relocating from rented premises in Vienna to its own property in Korneuburg, RWA is underlining its agricultural roots and its closeness to the operational world of the Lagerhäuser, whose commercial success is its top priority. In doing so it has created a new home for not only the group, but also the entire Lagerhaus organisation. Now the Lagerhaus cooperatives have a new service centre in Korneuburg, where they can find all key contact persons. Perfectly equipped conference rooms in a range of sizes offer the opportunity for meetings and events. This will allow RWA to play its role as a market expert, pioneer and opinion leader with even more success, particularly in the agricultural sector.

The facilities offered by the headquarters – with its meeting rooms, state-of-the-art infrastructure for mobile working, open space offices combined with opportunities to retreat into areas for concentrated working, meeting zones for employees (lounges, team working rooms, garden pavilions), and restaurant, sporting and leisure facilities – will enable the corporate culture to develop further and ensure that RWA remains an attractive employer.

RWA is deeply committed to sustainability. This is why the headquarters were built in line with the *klimaaktiv Gold Standard*. The building employs such innovative technology as a photovoltaic plant, geothermal probes for air conditioning the building and a fresh air system that guarantees a pleasant indoor climate.

The Campus Korneuburg is laid out as a dynamic place for coming together. Employees of the RWA Group, the Lagerhaus Group and our many partners will be able to work together here in an inspiring atmosphere as they develop forward-looking solutions.



THE COMPANY RWA RAIFFEISEN WARE AUSTRIA AG

RWA Raiffeisen Ware Austria is a **company with agricultural roots** that is **also now a major player in the machinery, energy, building materials and home & garden sectors** in Austria and Central Europe. RWA generates an **annual turnover of around 2.4 billion euros** and has **2,312 employees**.

RWA is **owned by Austria's Lagerhaus cooperatives and BayWa AG**. This means that it is both solidly rooted in the countryside and fully connected with the global market.

The company was established in order to support the Lagerhaus cooperatives across Austria in their role of **wholesaler and service provider**. While the Lagerhäuser supply their end customers as independent companies, RWA offers them the advantages of joint marketing and purchasing as well as **leveraging synergies and stimulating development**.

RWA's portfolio is enhanced by **more than 40 subsidiaries** or shareholdings in Austria and Central and Eastern Europe.

In 2020, RWA guided the company and its operational activities steadily and securely through the corona crisis. At the same time, a number of key future-oriented and ongoing projects, which are designed to strengthen the Lagerhaus Group, intensify the digitalisation process and establish new business activities, were successfully driven forward or concluded.

LAGERHÄUSER

In Austria, there are **around 80 Lagerhaus cooperatives with over 1,000 outlets**. These Lagerhäuser are independent, regionally anchored and democratically organised companies that are owned by farmers. They supply **farmers and the entire rural population** with products and services from the business segments agriculture, machinery, energy, home & garden and building materials & building services.

MISSION

RWA is the innovative and forward-looking wholesaler and service provider of the Lagerhäuser in the segments agriculture, machinery, building materials, home & garden and energy. We are growing in Central and Southeastern Europe and, in the context of a strategic alliance, see ourselves as an important part of the BayWa Group.

VISION

Together with the Lagerhäuser we are the leading force in the countryside in Austria and Central and Southeastern Europe.

MANAGEMENT

DI Reinhard Wolf,
CEO

Agricultural Products, Seeds/Timber, CEE Shareholdings, Human Resources, Legal Affairs/Compliance, Business Development, Real Estate and Facility Management, Office of the Executive Board

Stefan Mayerhofer,
Member of the Executive Board

Home & Garden, Building Materials, Logistics, Finance/Controlling, Organisation/IT

DI Christoph Metzker,
Member of the Executive Board, since 1.1.2020
Agricultural Inputs/Farming Innovations/
Agricultural Marketing, Energy, Machinery,
Marketing

SUPERVISORY BOARD (as of 31.12.2020)

ÖR DI Dr. Johann Lang (RWA Gen.),
Chairman

VV Prof. Klaus Josef Lutz (BayWa AG),
1st Deputy Chairman

ÖR Ing. Ludwig Hubauer (RWA Gen.),
2nd Deputy Chairman

Andreas Helber (BayWa AG),
3rd Deputy Chairman

ÖR Alois Hausleitner (RWA Gen.),
4th Deputy Chairman

DI Manfred Nüssel (BayWa AG),
5th Deputy Chairman

Further Members

Mag. Erwin Hameseder (RWA Gen.)

Marcus Pöllinger (BayWa AG)

Christopher Cech
(nominated by the RWA AG Works Council)

Andreas Habith
(nominated by the RWA AG Works Council)

Wolfgang Schröfl
(nominated by the RWA AG Works Council)

Johannes Weinrichter
(nominated by the RWA AG Works Council)

DEVELOPMENT

- ◆ **1993** Founding of the RWA-Genossenschaft (through the merger of the cooperative goods associations of Lower Austria, Upper Austria and Styria with the Österreichische Raiffeisen Warenzentrale)
- ◆ **1997** Establishment of RWA Raiffeisen Ware Austria AG, which takes over day-to-day operations in the following year, 1998.
- ◆ **1999** Strategic alliance with BayWa AG
- ◆ **2020** Relocation of the company headquarters to Korneuburg

OWNERSHIP STRUCTURE



* **38 Lagerhaus Cooperatives** (Lower Austria, Upper Austria, Styria, Burgenland)

SELECTED GROUP COMPANIES

- ◆ Garant-Tiernahrung
- ◆ Agro Innovation Lab
- ◆ RWA Czechia
- ◆ RWA Hrvatska
- ◆ RWA Magyarország
- ◆ RWA Raiffeisen Agro Romania
- ◆ RWA Slovakia
- ◆ RWA Slovenija
- ◆ RWA Srbija
- ◆ RWA Ukrajina

- ◆ Lagerhaus Technik-Center

- ◆ AFS Franchise-Systeme

OUR BUSINESS SEGMENTS



AGRICULTURE

RWA works with the Lagerhäuser to support Austria's farmers as their wholesale partner throughout the production process, from supplying seeds to ensuring the optimal marketing of their products. Its international subsidiaries guarantee access to additional purchasing and sales markets. The company is constantly on the lookout for logical and practical innovations that it can offer to the market via the Lagerhäuser.

In **2020**, RWA established an innovation partnership with the company AgrarCommander, with which it is jointly pushing forward with the successful development of the farm management software of the same name in Austria. RWA also launched "Zukunft Erde", an innovative programme that will enable farmers to transform the humus that they have formed into CO2 certificates, while its subsidiary Garant-Tiernahrung built Central and Eastern Europe's only linseed production plant at its Aschach facility.



MACHINERY

RWA is a franchisor for agricultural machinery and, via the Lagerhäuser, supplies customers with a comprehensive range of spare parts, tyres and services. Its subsidiary Lagerhaus Technik-Center is the national dealer for John Deere in Austria and the general importer of such key brands as Gehl, Manitou and Rauch.

In **2020**, Lagerhaus Technik-Center extended its exclusive cooperation with John Deere, the global market leader in farm machinery, for a further five years. One flagship project was the construction of the agricultural machinery competence centre in Eggendorf in Lower Austria.



BUILDING MATERIALS

RWA is a franchisor and system provider for the Lagerhäuser. In this role it develops appropriate concepts, assumes responsibility for purchasing and for determining the product range and manages the Lagerhaus' own brands.

In **2020**, a high level of product availability could be guaranteed despite the corona crisis. A newly developed digital strategy will open up many opportunities in the coming years.



HOME & GARDEN

In its role as a franchisor, RWA supports the Lagerhäuser in the development of their home & garden centres and of the range that these offer. More than 20 own brands have been created in this area. The RWA/Lagerhaus Group is the leading Austria-based company in the home & garden sector.

In **2020**, the Lagerhaus Ordering Fair, which is organised by AFS Franchise-Systeme, took place digitally for the first time and generated record orders. 1,200 visitors consulted with over 140 exhibitors in a virtual exhibition hall and informed themselves about around 2,700 products, on the basis of which they determined the range on offer in the home & garden centres for the coming season.

◆ **AFS Franchise-Systeme**



ENERGY



RWA covers a comprehensive range in the energy sector – from photovoltaic, via pellets and solid combustibles to fuels, lubricants and heating oil. It supplies not only the Lagerhäuser but also corporate clients and private households.

In **2020**, RWA entered the solar energy business and now supports commercial and industrial clients in the construction of photovoltaic plants. In addition to this, RWA acquired a shareholding in the Austrian energy startup eFriends, an energy network devoted to the production and distribution of regionally produced solar energy.

◆ **GENOL**
◆ **RWA Solar Solutions**
◆ **WAV Wärme Austria**

SERVICES



The range of services offered to the Lagerhäuser by RWA also includes areas such as the ongoing development of the Lagerhaus Group, modern corporate organisation and IT, marketing and human resources, logistics and building technology and advice in the areas of management, accounting and the law.

In **2020**, RWA launched a new strategy process, which will define the orientation of the company between now and 2030.



The financial year 2021 started with new, restrictive measures designed to contain the corona pandemic. Until the public health situation has been stabilised by a combination of widespread vaccination and a rigorously implemented programme of testing, we must expect this to be a year in which the operating environment remains unsettled. There is a high level of insecurity in the economy and this can have a negative impact on investor confidence. There is also a risk that payment difficulties and insolvencies will become more common.

Institutions such as the EU Commission, the European Central Bank and the International Monetary Fund have significantly lowered their growth forecasts for 2021. The projections of Austrian economic researchers are also becoming more cautious. Anxiety about dangerous variants of the virus, further shop closures and quarantine measures and high unemployment levels is reducing the prospect of a rapid economic recovery. The negative effects of Brexit also have to be taken into account.

It is too early to predict the impact of these developments on the various business segments of the RWA Group. However, we are convinced that, due to its robustness and solidity, RWA will continue to be able to even more intensely fulfil its combined mission as a wholesaler and service provider to the Lagerhäuser. As part of a strategy process we are currently defining our course for the years between now and 2030. A key role will be played here by our digitalisation efforts in a broad range of areas. We will also take advantage of opportunities for promoting homogeneous growth.

AGRICULTURE

Structural change in farming, the risk of extreme weather events and pressure from pests caused by climate change will remain defining factors in the agricultural sector. RWA understands that its core role is to accompany this transformation in agriculture and to optimally support farmers, regardless of their production method. In view of the ongoing trend towards organic farming, RWA has taken over a majority share of biohelp GmbH, as a result of which it is now able to offer solutions in the area of alternative plant protection products. It continues to pay special attention to the development of climate-fit seeds. Digitalisation is another key issue in agriculture: Digital tools such as Onfarming, the Lagerhaus' operational management programme for farmers, the online trading platform FarmHedge and the Lagerhaus weather app are subject to continuous development. RWA will continue to push forward with the distribution of the farm management programme of the same name via its shareholding in AgrarCommander GesmbH.

MACHINERY

This is another segment in which structures are being realigned with the changing needs of farmers. For example, the Lagerhaus Technik-Center LTC has established a new competence centre in Lower Austria while a second, in Upper Austria, is under construction. The objective is to bundle know-how regarding the ever more sophisticated digital solutions in the area of agricultural machinery. The trend towards ever larger, electronically perfectly equipped tractors continues. And the investment subsidies currently on offer from the Federal Government suggest that demand will increase.



BUILDING MATERIALS

Times of crisis represent a factor of uncertainty and a major challenge for building projects. RWA and the Lagerhäuser continue to put their faith in a comprehensive range of building materials that is tailored to meet regional needs. The expansion of building services and the logistics area will continue.

HOME & GARDEN

Despite repeated store closures, the home & garden centre segment has shown itself to be robust and has recovered well. The more time that people are forced to spend in their home, the readier they are to invest in it. They want to upgrade both the living spaces and the garden. The modernisation and reorganisation of the markets in line with the model of the new Lagerhaus format market concept will both increase their attractiveness and improve the shopping experience. In parallel with this, the range of the online shop is being expanded. The Agro Innovation Lab is starting a competition that will offer startups the opportunity to rapidly distribute market-ready products in the building materials and home & garden segments via the Lagerhäuser.

ENERGY

RWA remains a reliable supplier of all forms of energy. However, activities in the photovoltaic field will be intensified. Hence, we trust that an adequate legal framework for this forward-looking sector will soon be agreed. Pellets, wooden briquettes and solar energy for major clients are our focuses in the sustainable energy segment.

DIGITALISATION

2020 demonstrated the huge importance of digitalisation along the entire value chain. RWA will intensify its efforts and investments, in order to both increase benefits to customers and to make our own corporate processes even more efficient.

Due to the strengths and the diverse positioning of the company and the entire Lagerhaus Group we are looking forward to the financial year 2021 with enormous optimism – regardless of the still difficult business environment.

DI Reinhard Wolf
CEO

Stefan Mayerhofer
Member of the Executive Board

DI Christoph Metzker
Member of the Executive Board

Korneuburg, 7th April 2021