



BAVARIA Industries Group AG
München

Half-Year Report as of June 30, 2020

Table of contents

Letter from the board of directors	3.
Key figures for the Group	5.
The Stock	6.
Explanations and outlook	7.
Events after the reporting date	7.
Outlook	7.
Consolidated income statement January 01 – June 30, 2020	8.
Consolidated balance-sheets as of June 30, 2020	9.
Notes on the semi-annual report	11.
Accounting and valuation methods	11.
Scope of consolidation	11.
Explanations of individual balance-sheet and income statement items	11.
List of shareholders as of June 30, 2020	14.
Financial calendar	15.
Imprint	15.

Letter from the Board of Directors

Dear shareholders, dear business friends,

in the first half of 2020 the net worth of our operating investments and financial assets fell 12 % to EUR 339 million. The net value per share shrank by 10 % to 71 EUR from 79 EUR per year end while the DAX index fell 7.6%. Until 30.6 this year we spend EUR 5.1 million buying back our own shares. Without own ownership, the number of shares decreased by 87,986 to 4,802,159.

Our investments without the loss-making Azolver generated an operating loss ("EBIT") of EUR 1.5 million in the first half of 2020, following a profit of EUR 2.3 million in the same period of last year. We are therefore reducing the estimated net value of our direct investments to EUR 10 million from EUR 20 million at year end. The market value of our equity investments fell by EUR 35 million to EUR 198 million (EUR 233 million as of December 31, 2019). Unrealised profits (which are not included in the balance sheet) shrank to EUR 29 million from EUR 56 million by year-end 2019.

The loss from sales of securities and dividend income was EUR 0.3 million in the first half of 2020. At 30. June 2019 EUR 87 million of cash was held in the holding company and in non-operating companies. Another EUR 44 million was invested in Xetra Gold with unrealised gains of EUR 10 million.

Our largest equity positions developed as follows in the first half of 2020:

(EUR million)	31/12/2019	06/30/2020	Purchase	Change with Dividends
Japan	38.7	35.6	0.6	-3.0
India	18.4	21.9	8.9	-5.4
Berkshire Hathaway	17.6	13.8	0.0	-3.8
Brederode SA	17.5	17.7	0.3	0.2
Ryman Healthcare	16.4	13.6	0.6	-3.3
Inv . AG TGV	14.9	15.6	0.0	0.7
Summerset Group Holdings	13.4	9.3	0.0	-4.0
Balance	136.9	127.5	10.4	-18.6
DAX	13,249	12,311		

On balance, we lost EUR 18.6 million. This corresponds to a loss of 13.6% compared to the 7.6% decline in the DAX.

Our total assets developed as follows in the first half of 2020:

Million EUR	31.12.2019	30.06. 2020
Financial Assets	233	198
Cash / Xetra Gold Holdings	132	131
	20	10
Total	385	339
Per Share in EUR	79	71

On June 30th The cash and gold accounted for EUR 131 million or 39% of the total portfolio. The net value per share fell by 10% from EUR 79 to EUR 71.

In the third quarter, we concluded a direct investment with Stobart Rail with annual sales of EUR 40 million.

We value openness and look forward to your suggestions and suggestions for improvement.

We are always grateful for transaction proposals.

Best regards

Reimar Scholz
board member



Reimar Scholz
CEO

Group Figures

	2019		2020
	1. HJ	2. HJ	1. HJ
Key earnings figure in EUR Mio.			
Group sales	79,6	65,6	56,9
Consolidated net income	7,7	-9,8	-11,5
thereof dissolution of negative goodwill and deconsolidation result	0	0	0,3
Balance sheet key figures in EUR Mio.			
Equity	320,4	312,8	295,7
Total assets	410,1	389,2	378,9
Capital assets	112,6	145,7	150,8
Financial resources	118,5	118,4	109,9

The stock

Number of shares	5.060.548
Type of shares	Individual bearer shares
Share capital	EUR 5.060.548,00
Voting rights	Each share confers one voting right
WKN	260555
ISIN	DE0002605557
Ticker symbol	B8A
Stock market segment	Basic Board
Fiscal year	Equivalent to the calendar year
Accounting	as per German commercial code (HGB)
Designated Sponsor	M. M. Warburg & CO
Notices	Bundesanzeiger
Highest price in 2020 (24.01.2020)	EUR 60,50
Lowest price in 2020 (18.05.2020)	EUR 47,20
closing rate (30.06.2020)	EUR 56,50
Market capitalization (30.06.2020)	EUR 271,3 Mio.
Earnings AG per share	EUR 35,72 (for fiscal year 2019)
Dividend per share	EUR 0,00 (for fiscal year 2019)

As of June 30, 2020, BAVARIA Industries Group AG held a total of 258,389 own shares. Since the beginning of the year 87,986 shares with a value of EUR 5,062 thousand were bought back based on the authorization of Annual General Meeting on June 22, 2018.

Group management report

Explanations and outlook

Name	Products	Customers	1st Half- Year Turnover in EUR Mio.	Sites	Employees
CARBODY	Sealing and security solutions	Automobile	18,9	6	447
Cobelplast	Packagings	Food companies	17,1	1	96
Azolver Group	Franking machines	Various	18,0	8	172
Hering	Tube heat exchanger	Industry	5,3	1	79
Total			59,3	14	794

continued investments

Result

The operating companies had an operating loss of 4.3 million in the first half of 2020. This corresponds to a decrease in earnings of EUR 13.9 million compared to last year due to the covid crisis and last year's extraordinary gains.

Investments, depreciation, employee investment

In the first half of 2020 EUR 0.9 million was invested in the operating companies compared to EUR 2.2 million last year, while depreciation was EUR 1.4 million (previous year EUR 3.0 million). The number of employees increased from 769 to 794.

Significant Events after the reporting Date

In the third quarter of 2020 we will have a direct investment in the UK with Stobart Rail with annual sales of EUR 40 million

Outlook

An outlook is currently not possible due to the uncertainties of the evolving Covid crisis. We hope that this crisis creates new buying opportunities

Consolidated Profit and Loss Account 1 January – 30 June 2020

BAVARIA Industries Group AG, München

Consolidated profit and loss account 01.January 2020 - 30.June 2020

(EUR)	30. Juni 2020	30. Juni 2019
1. Sales	56.929.938,60	79.584.679,00
2. Increase or reduction of inventories in finished and non-finished products	-150.970,81	158.881,36
	<u>56.778.967,79</u>	<u>79.743.560,36</u>
3. Other operating income	1.663.964,76	11.537.430,87
4. Cost of materials		
a) Raw materials, supplies and merchandise for resale	-25.476.581,54	-36.376.088,49
b) Purchased services	-3.301.707,12	-1.959.795,59
	<u>-28.778.288,66</u>	<u>-38.335.884,08</u>
5. Personnel costs		
a) Wages and salaries	-14.166.161,89	-17.701.574,92
b) Social insurance and other charges and benefits, pensions	-4.589.818,20	-5.252.818,61
	<u>-18.755.980,09</u>	<u>-22.954.393,53</u>
6. Depreciation on intangible assets of the fixed assets and property, plant and equipment	-2.142.174,56	-3.274.442,34
7. other operating expenses	-16.831.365,96	-23.953.807,25
8. Income from other investments	2.217.707,91	8.623.793,61
9. Other interest and similar income	174.208,57	185.910,18
10. Interest and similar expenses	-358.337,98	-629.068,88
11. Depreciation on financial assets and on marketable securities	-5.330.454,62	0,00
12. Taxes on income and earnings	448.656,79	-2.678.118,67
13. Earnings after taxes	-10.913.096,05	8.264.980,27
14. Other taxes	-630.734,71	-549.753,85
15. Net income	-11.543.830,76	7.715.226,42
16. Net profit from previous year	296.116.085,26	296.693.331,22
17. Acquisition of own shares	-5.062.316,45	-362.053,88
18. Profit relating to other shareholders	-42.014,25	-264.933,66
19. Consolidated profit	<u>279.467.923,80</u>	<u>303.781.570,10</u>

Consolidated balance sheet as of June 30, 2020

Assets (EUR)	30. Juni 2020	30. Juni 2019
A. Fixed assets		
I. Intangible assets		
1. Patents, trademarks licenses and similar rights	250.167,75	490.023,16
2. Goodwill	<u>1.025.753,62</u>	<u>1.865.199,49</u>
	1.275.921,37	2.355.222,65
II. Property, plant & equipment		
1. Land, leasehold rights an buildings incl. buildings on leased lands	12.812.599,31	13.200.961,94
2. Machinery and equipment	10.266.440,56	10.560.061,05
3. Other equipment, plant and office equipment	1.443.700,99	3.356.031,46
4. Advance payments and construction -in-progress	<u>1.768.806,68</u>	<u>1.557.967,62</u>
	26.291.547,54	28.675.022,07
III. Financial assets		
1. Shares in affiliated companies	7,00	7,00
2. Investments	9.491,00	9.491,00
3. Investment securities	120.901.027,85	81.428.122,98
4. Other loans	<u>2.319.967,79</u>	<u>157.659,40</u>
	123.230.493,64	81.595.280,38
	<u>150.797.962,55</u>	<u>112.625.525,10</u>
B. Current Assets		
I. Inventories		
1. Raw materials and supplies	6.093.707,39	5.967.326,40
2. Work in progress	2.786.624,19	2.632.838,24
3. Finished products and merchandise	5.809.527,44	3.928.001,15
4. Advance payments	<u>960.602,41</u>	<u>1.536.777,50</u>
	15.650.461,43	14.064.943,29
II. Accounts receivable and other assets		
1. Receivables from trade	12.859.424,36	14.050.440,87
2. Other assets	<u>10.344.824,41</u>	<u>60.471.644,18</u>
	23.204.248,77	74.522.085,05
III. Shares		
1. Other shares	<u>77.750.133,86</u>	<u>88.411.158,57</u>
	77.750.133,86	88.411.158,57
IV. Cash and cash equivalents and checks	109.929.298,85	118.463.758,17
	<u>226.534.142,91</u>	<u>295.461.945,08</u>
C. Prepaid expenses	1.552.121,11	2.058.680,87
D. Active difference from asset allocation	0,00	0,00
	<u>378.884.226,57</u>	<u>410.146.151,05</u>

Equity and liabilities(EUR)

	30. Juni 2020		30. Juni 2019	
A. Equity				
I. Issued Capital		4.802.159,00		4.926.438,00
1. Subscribed capital	5.060.548,00		5.060.548,00	
2. Nominal value of treasury stock	-258.389,00		-134.110,00	
II. Capital reserve		9.939.452,00		9.939.452,00
III. Revenue reserves		263.889,00		139.610,00
1. Legal reserves	5.500,00		5.500,00	
2. Reserve restricted in relation to treasury stock	258.389,00		134.110,00	
IV. Consolidated profit		279.467.923,80		303.781.570,10
V. Offsetting item for holdings of other shareholders		1.926.483,45		1.839.742,60
VI. Difference from currency exchange rates		-732.426,33		-224.291,43
		295.667.480,92		320.402.521,27
B. Special reserve		0,00		0,00
C. Difference from Consolidation of capital		6.848.145,65		6.848.145,65
D. Accruals				
1. Accruals for pensions and similar Commitments	4.757.485,30		5.120.596,81	
2. Tax reserve	3.087.656,21		1.889.407,67	
3. Other accruals	12.718.749,29		18.484.382,16	
		20.563.890,80		25.494.386,64
E. Liabilities				
1. Liabilities to banks	18.187.101,66		5.264.714,08	
2. Advance payments received on orders	1.327.837,94		2.642.930,94	
3. Liabilities from goods and services	12.423.745,64		22.124.848,71	
4. Other liabilities	20.778.463,92		22.471.030,88	
		52.717.149,16		52.503.524,61
F. Deferred income		2.520.803,63		4.207.025,98
G. Deferred taxes		566.756,41		690.546,90
		378.884.226,57		410.146.151,05

Notes on the Half-Year Report

Balance Sheet Accounting and Valuation Methods

This half-year report was prepared in accordance with the applicable provisions of the *Handelsgesetzbuch* (HGB, German Commercial Code) and has not been audited. An interim report, its accounting principles or methods are the same as those used in the Consolidated Group Annual Report for the fiscal year 2016.

Scope of Consolidation

This half-year report reflects all significant subsidiaries under the control of BAVARIA Industries Group AG. Eight companies were not included in the scope of consolidation as their inclusion was not mandatory according to the *Handelsgesetzbuch* (HGB German Commercial Code). Deller GmbH was deconsolidated in the first half of 2020 due to the loss of control.

Notes to Individual Balance Sheet Items

Goodwill from consolidation of capital

Development as of 30 June 2020 in EUR thousands:

Book Value 31.12.2019	Addition	Amortization	Final Consolidation	Book Value 30.06.2020
1.335	0	309	0	1.026

Development as of 30 June 2019 in EUR thousands:

Book Value 31.12.2018	Addition	Amortization	Final Consolidation	Book Value 30.06.2019
0	1.670	0	0	1.670

Subscribed capital

On 30 June 2020 subscribed capital amounted to TEUR 5,061. The calculated nominal value of shares in circulation amounted to EUR 1.00 per share. In line with the provisions of the *Bilanzrechtsmodernisierungsgesetz* (BilMoG, German Accounting Law Modernization Act),

the calculated nominal value of own shares acquired up to the key reporting date was deducted from subscribed capital and the reserve formed in previous years for own shares was offset against retained earnings.

Net profit carried forward from previous year

By the resolution of the Annual General Meeting on September 18th 2020 the entire balance sheet profit from 2019 will be carried forward.

Difference from consolidation of capital (acquisition profits)

Development as of June 30, 2020 in EUR thousands:

Book Value 31.12.2019	Addition	Disposals	Deconsolidation	Non-effective adaption	Book Value 30.06.2020
6.848	0	0	0	0	6.848

Development as of June 30, 2019 in EUR thousands:

Book Value 31.12.2018	Addition	Disposals	Deconsolidation	Non-effective adaption	Book Value 30.06.2019
6.848	0	0	0	0	6.848

Other operating income

Earnings from the disposal of financial assets
Exchange rate gains
Deconsolidation proceeds
Dissolution of provisions and value adjustments
Book profits from asset disposals
Remaining other operating income

30.06.2020	30.06.2019
TEUR	TEUR
821	363
277	680
261	0
151	381
0	9.017
154	1.096
1.664	11.537

The remaining other operating income is primarily income in connection with the investment

	30.06.2020	30.06.2019
	TEUR	TEUR
Other operational expenses		
Expenses from disposal of financial assets	3.480	0
IT costs (consulting, Maintenance)	1.584	791
External services, Insurances, other Contributions	1.575	1.612
Packaging and freight	1.530	2.909
other personal costs, including temporary workers	1.273	2.448
Exchange rate losses	994	136
Infeed of PBW an bad debts	765	0
Room rental	730	526
Leasing and other rent	722	333
Repairs and maintenance	514	1.873
Administrative expenses	340	120
Travel expenses	189	388
advertising	96	114
commissions	82	268
Expenses for impending losses	0	8.023
Remaining other operating losses	2.957	4.413
	16.831	23.954

The remaining other operating expenses include expenses in the connection with the investment and legal advice.

List of shareholdings as of June 30, 2020

Group parent company	Currency	Share of equity in %	
		direct	indirect
BAVARIA Industries Group AG (former BAVARIA Industriekapital AG), München			
Schedule of shareholdings			
BAVARIA Industriekapital AG (ehemals BAVARIA Industriekapital II AG), München	EUR	100,00	
HERING Wärmetauscher Holding AG, München	EUR	75,00	
Hering AG, Gunzenhausen	EUR		71,06
BAVARIA Maschinenbau Holding II AG, München	EUR	97,50	
Verwaltungsgesellschaft 0906 mbH, München	EUR	100,00	
Blitz 05-316 GmbH & Co. KG, München	EUR	100,00	
Bavariaring 0906 GmbH, München	EUR	100,00	
baikap Holding 010607 GmbH, München	EUR	100,00	
baikap Holding 020607 GmbH, Gräfelfing	EUR	100,00	
EMS Holding Bavaria GmbH, Gräfelfing	EUR	100,00	
Bavaria France Holding S.A.S. (ehemals Fonderies Aluminium de France S.A.S.), Neuilly-sur-Seine, Frankreich	EUR		100,00
Fonderie d'Ingrandes S.A.S. (ehemals Fonderie du Poitou Aluminium S.A.S.), Neuilly-sur-Seine, Frankreich	EUR		100,00
Baikap Trust Holding GmbH & Co.KG (ehemals K+S Holding GmbH & Co. KG), München	EUR		94,80
Die-Cast Holding Bavaria GmbH, München	EUR	100,00	
baikap Holding 061108 GmbH, München	EUR		100,00
baikap Holding 070309 GmbH, München	EUR	100,00	
baikap Holding 090709 GmbH, München	EUR	100,00	
Deller Liegenschaft GmbH (ehemals BAVARIA Purchasing Group GmbH), München	EUR	100,00	
Inasa Foil Sabinánigo S.L. (ehemals Laminados Sabinánigo S.L.), Sabinánigo, Huesca, Spanien	(1) EUR		100,00
INASA Foil S.A., Iruztzun bei Pamplona, Spanien	(1) EUR		100,00
baikap Holding 110510 GmbH, München	EUR	100,00	
baikap Holding 120510 GmbH, München	EUR	100,00	
baikap Holding 130810 GmbH, München	EUR	100,00	
baikap Holding 150911 GmbH, München	EUR	100,00	
baikap Holding 160911 GmbH, München	EUR	100,00	
Bavaria Luminaires Holding S.A.S., Nanterre, Frankreich	EUR		100,00
CARBODY S.A.S., Witry-les-Reims, Frankreich	EUR		100,00
CARBODY Czech Republic s.r.o., Mlada Boleslav, Tschechische Republik	CZK		100,00
CARBODY Otomotiv Izolasyon Sistemleri Ticaret Limited Sirketi, Istanbul, Türkei	TRY		100,00
Carbody Deutschland GmbH, München	EUR		100,00
Carbody Automotive System Co. Ltd., Suzhou, China	CNY		100,00
Carbody Automotive Maroc, Tanger, Marokko	MAD		100,00
baikap Sapphire GmbH, München (ehemals ASTERION Germany GmbH)	EUR	100,00	
baikap Holding 190913 GmbH, München	EUR	100,00	
baikap Holding 200913 GmbH, München	EUR	100,00	
baikap Holding 210814 GmbH, München	EUR	100,00	
Deller GmbH (ehemals baikap Holding 220814 GmbH), München	(1) EUR	100,00	
Cobelplast N.V., Lokeren, Belgien	EUR		100,00
Bavaria Arti Grafiche Italiane Holding S.p.A., Bergamo, Italien	(1) EUR		100,00
Arti Grafiche Johnson S.p.A., Seriate (Bg), Italien	(1) EUR		100,00
Arti Kalendar & Promotion Services GmbH, Gütersloh	(1) EUR		100,00
Zanica 92 s.r.l. (ehemals TAVECCHI S.r.l.), Seriate (Bg), Italien	(1) EUR		100,00
Calendars & Diaries International B.V., Breda, Niederlande	(1) EUR		100,00
Deroma S.r.l., Mailand, Italien	EUR		100,00
Bavaria Real Estate Ciriè Holding S.r.l., Ciriè, Italien	EUR	100,00	
Azolver Soumi OY, Helsinki, Finnland	EUR		100,00
Azolver Sverige AB, Sollentuba, Schweden	SEK		100,00
Azolver Denmark APS, Harlev, Dänemark	DKK		100,00
Azolver Norge A/S, Oslo, Norwegen	NOK		100,00
Azolver Italia srl, Agrate Brianza, Italien	EUR		100,00
Azolver Switzerland AG, Winterthur, Schweiz	CHF		100,00
Azolver Eesti OÜ, Tallinn, Estland	EUR		100,00
Azolver Belgium BV, Brüssel, Belgien	EUR		100,00

(1) Not consolidated pursuant to §296 of the German Commercial Code (HGB)

Financial calendar

April 30, 2021

Publication of the individual and consolidated financial statements as of December 31, 2020.

Imprint

Editor

BAVARIA Industries Group AG
Bavariaring 24
80336 München

Telefon: +49 (0)89 – 72 98 967 - 0
Fax: +49 (0)89 – 72 98 967 - 10

E-Mail: info@baikap.de
Website: www.baikap.de

Editorial staff

Christoph Schumacher