MORE FROM WOOD.

EGGER

Egger Holzwerkstoffe GmbH

Consolidated Interim Financial Report as of October 31, 2022

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St. Johann in Tirol

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We draw attention to the fact that the English translation of these consolidated financial statements, this management report for the Group and this auditor's report is presented for the convenience of the reader only and that the German wording is the only legally binding version.


EGGER

Contents

Egger Holzwerkstoffe GmbH Consolidated Interim Financial Statements as of October 31, 2022

The consolidated interim financial statements were prepared in TEUR / MEUR (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Our Vision

We produce in Europe and America and market our products worldwide.
We have always built long-term and cooperative relationships with our customers and suppliers. Together we optimise the use of the valuable resource wood and create added value for all parties involved. To achieve this, we use the latest technology, continuously optimise our processes and automate and digitalise the workflows in our production and supply chain.

“We are the leading brand for wood-based solutions.“

Our Mission

For us, the needs of our customers are the focus. Through constant customer proximity and open communication, we ensure a holistic view of the customer. In doing so, we rely on networked processes and digital channels.
Together with our customers we are constantly developing and offering them innovative and complete product and service solutions around the natural material wood.
Our quality standard includes the entire value chain from order creation to delivery to the customer. This promise is the basis of all our customer relationships.

“We make more out of wood.“

Our Drive

St. Johann in Tirol, Austria, in 1961:
Fritz Egger Sr. is successfully running the Egger family's St. Johann operations, consisting of the Brunnhof farm and a sawmill.
He decides to recycle the wood scraps that accumulate in the sawmill instead of simply throwing them away. He turns the seemingly worthless by-product into something new – in the first chipboard plant under the name EGGER.

"Passion for a unique resource."

Our Values

Our values stand for our actions. Progress, respect and quality are our constant companions. They shape everything we do along the entire value chain. Our customers, suppliers and employees know what they can expect from us.
Continuous further development to ensure progress is a matter of course for us. We set ourselves new goals and create perspectives for ourselves and our partners.
We treat each other with respect and show each other trust, personal appreciation and openness.
We are committed to each other and to great results, and we go to work with enthusiasm. Our claim is to offer consistently high quality in all areas.

"Quality, respect and progress guide our actions."

Our Team

More than 10,000 colleagues worldwide have a lot in common. We create more from wood and drive innovation. Together we motivate, encourage and strengthen each other. We contribute our talents and experience and treat each other with respect.
Together we have grown steadily, but we have not forgotten our roots – nor our core values as a family company. It is this strong foundation that allows us to be so successful.

"We are open, inquisitive and tackle things instead of just talking about them."

Our Responsibility

As one of the leading wood-based material manufacturers, we are aware of our responsibility towards the environment and society: Foresighted action geared to future generations has always been our practice.
We meet this challenge and transparently disclose who we are, what we do and how we act.

"We act with future generations in mind and assume ecological, economic and social responsibility."

Introduction by Group Management

Dear Ladies and Gentlemen,

The first half of our 2022/23 financial year was influenced by a wide range of economic and political crises and uncertainty factors. We are all deeply concerned over the conflict and the enormous human suffering in Ukraine. Its effects have also been felt on energy and raw materials markets and costs around the globe and through the massive rise in inflation together with a decline in purchasing power.

The business activities of the EGGER Group have also been influenced by these global developments. However, we can report on the **satisfactory development** of business during the first half-year in spite of the difficult environment. **Revenues** rose to EUR 2,255.4 million (+14.0% versus HY 2021/22) and **EBITDA** amounted to EUR 353.7 million (-26.1% versus HY 2021/22).

The very strong results generated in the previous financial year are a result of the extremely high demand created by the cocooning effect during the corona crisis and, consequently, should be seen as an atypical situation. This demand boom has weakened significantly since spring 2022, and we are now seeing a decline in demand on nearly all markets – also due to the high level of inflation.

The Group-wide increase in revenues during the first half of 2022/23 was based primarily on the sharp rise in raw material, energy and logistics costs. These increases were reflected in higher selling prices but could only be passed on in part to our customers. Higher volumes were only recorded by our newest plant in Lexington, NC (US) following the further development of the US market. The current operating environment made it impossible to maintain the unusually high margins recorded in the first half of the previous year.

Decorative Products (products for furniture and interior design), our largest division, generated revenues of EUR 1,873.9 million (+17.4% versus HY 2021/22) and EBITDA of EUR 302.6 million (-12.2%). Lower earnings were reported, above all, by the East European plants due to the direct impact of the Ukraine crisis.

Revenues in the **Flooring Products Division** rose by 11.4% to EUR 269.8 million in the first half of 2022/23.

However, the demand for wood material-based flooring products has weakened significantly in recent months. EBITDA in this division amounted to EUR 15.4 million (-49.1%).

The **Building Products Division** (products for timber construction) closed the previous financial year with record results. The year-on-year decline in the demand for OSB and sawn timber together with the related margins was, therefore, expected. Against this backdrop, the division recorded revenues of EUR 256.4 million (-6.2%) and EBITDA of EUR 35.6 million (-65.6%).

We are continuing to pursue our long-term investment strategy – even in this currently highly volatile market environment – in order to maintain **state-of-the art operating conditions in our 20 plants**. Our **investments** totaled EUR 229.7 million in the first half of 2022/23 (HY 2021/22: EUR 141.1 million) and focused primarily on projects for backwards integration and the strengthening of production sustainability as well as the optimization of material flows and warehousing.

The situation on the global **raw materials and energy markets** is still extremely challenging. The prices on all our relevant raw materials markets rose sharply during the first half of 2022/23 and remain very high. Availability also became an issue. Our procurement strategy has always been directed to ensuring sufficient supplies of key raw materials (wood, chemicals and paper) for all our plants and, in turn, the best possible supplies for our customers – an objective we clearly met during the reporting period.
Sustainable biomass power plants at all our major locations provide good protection against a potential energy shortage. With this strategy, we are working to discontinue the use of fossil fuels as far as possible while avoiding the pure thermal utilization of raw materials and support the **cascading use of the valuable raw material wood**.

The overall economic **outlook** is connected with substantial uncertainty and will be heavily influenced by the challenges on energy and raw material markets. Our earnings expectations for the second half of our 2022/23 financial year are therefore subdued. We expect a continuation of the current high price levels over the medium-term and, consequently, stable revenues but with moderate demand from our most important markets.

Our long-term strategy is based on the continued use of the advantages provided by our state-of-the-art industrial base, the pursuit and development of our sustainable business model, and the support of our strong financial foundation. This will allow us not only to master, but to emerge even stronger from the current economic situation.

Together with our 10,900 professional and motivated employees as well as our satisfied customers throughout the world, we will continue to growth in the future and make **more from wood**.

St. Johann in Tirol, December 6, 2022

Thomas Leissing	Frank Bölling	Michael Egger jun.	Hannes Mitterweissacher
Chief Financial Officer (CFO) and Speaker of the Group Management	Chief Supply Chain Officer (CSCO)	Chief Sales Officer (CSO)	Chief Technology Officer (CTO)

Group Management

Brief portrait of Group management

In 1961 Fritz Egger sen. founded a chipboard plant in St. Johann in Tirol that formed the basis for the family-owned EGGER Group. Today the Group is owned by private foundations established by the Egger family. Fritz Egger remains involved in the definition of strategic guidelines as chairman of the Supervisory Board.

Michael Egger resigned from the Supervisory Board as of August 27, 2022 and was succeeded by Walter Schiegl. The business operations of our family company are directed by EGGER Group Management with Thomas Leissing, Frank Bölling, Michael Egger jun. and Hannes Mitterweissacher.

Thomas Leissing

Group Management Finance/Administration and Speaker of Group Management

Thomas Leissing has been a member of our Group Management since 2005. He is responsible for finance, human resources, IT and communications and, since 2009, has also served as the speaker for Group Management. Prior to joining EGGER, he worked in corporate finance for a publicly traded international industrial corporation.

Frank Bölling

Group Management Logistics

Frank Bölling has been a member of Group Management since May 2022 and is responsible for logistics. He joined the EGGER Group in 2019 and last served as the head of logistics for the EGGER Decorative Products East Division. His previous career includes leading positions in logistics and supply chain management with various industrial companies.

Michael Egger jun.

Group Management Sales / Marketing

Michael Egger jun. has been a member of Group Management since July 27, 2022 where he is responsible for sales and marketing. He previously served as the head of sales and marketing in the EGGER Decorative Products Central Division following positions in product management and as plant manager in Brilon. Mr. Egger also gained external experience with a well-known international fittings producer.

Hannes Mitterweissacher

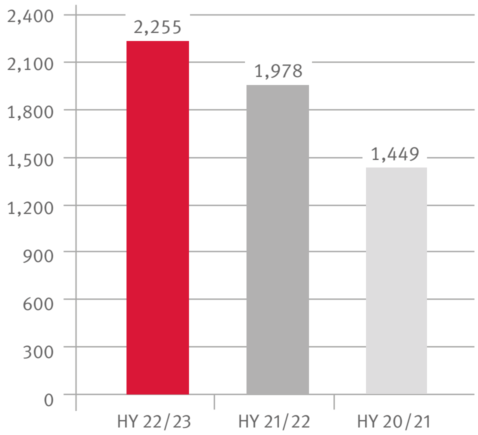
Group Management Engineering / Production

Hannes Mitterweissacher has been responsible for technology and production as a member of Group Management since May 2022. He has been with EGGER since 1992 and held various positions in engineering and production during that time, most recently as the head of technology / production for the EGGER Decorative Products Central Division.

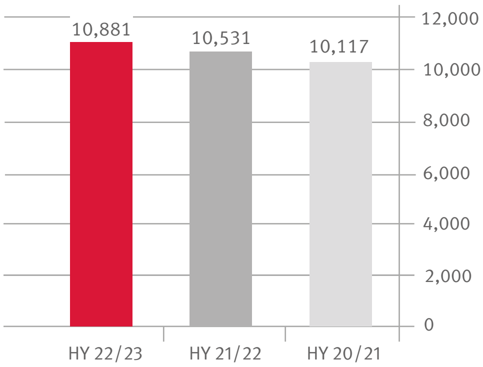
Overview of Key Data

Key data on the EGGER Group at a glance.

Revenues (EUR million)



Number of employees (average)



Earnings Indicators		HY 2022/23	HY 2021/22	HY 2020/21
Revenues	EUR mill.	2,255.4	1,978.1	1,449.4
EBITDA	EUR mill.	353.7	478.6	293.9
EBITDA margin	in %	15.7%	24.2%	20.3%
EBIT (1)	EUR mill.	151.8	345.7	185.9
Profit before tax (PBT) (1)	EUR mill.	143.0	333.6	180.6
Profit after tax (PAT)	EUR mill.	99.5	250.8	135.1

(1) The actual reporting period includes impairment losses to property, plant and equipment of the Russian cash generating units "Plant Gagarin / Segment Flooring Products" totaling of 15,374 TEUR and "Plant Gagarin / Segment Decorative Products" totaling of 51,351 TEUR.

Consolidated Balance Sheet		31.10.2022	30.04.2022	30.04.2021
Balance sheet total	EUR mill.	3,720.9	3,740.2	3,246.6
thereof non-current assets	EUR mill.	2,472.6	2,368.6	2,266.6
Equity (including subsidies)	EUR mill.	1,905.8	1,902.0	1,362.3

Treasury Key Figures		31.10.2022	30.04.2022	30.04.2021
Equity ratio	in %	51.2%	50.9%	42.0%
Net debt	EUR mill.	712.7	563.4	831.5
Net debt / EBITDA	years	0.95	0.64	1.34

Value Management		31.10.2022	30.04.2022	30.04.2021
EBITDA rolling 12 months	EUR mill.	752.6	877.5	622.3
Historical capital employed	EUR mill.	5,906.3	5,525.1	4,997.9
CFROI	in %	12.7%	15.9%	12.5%

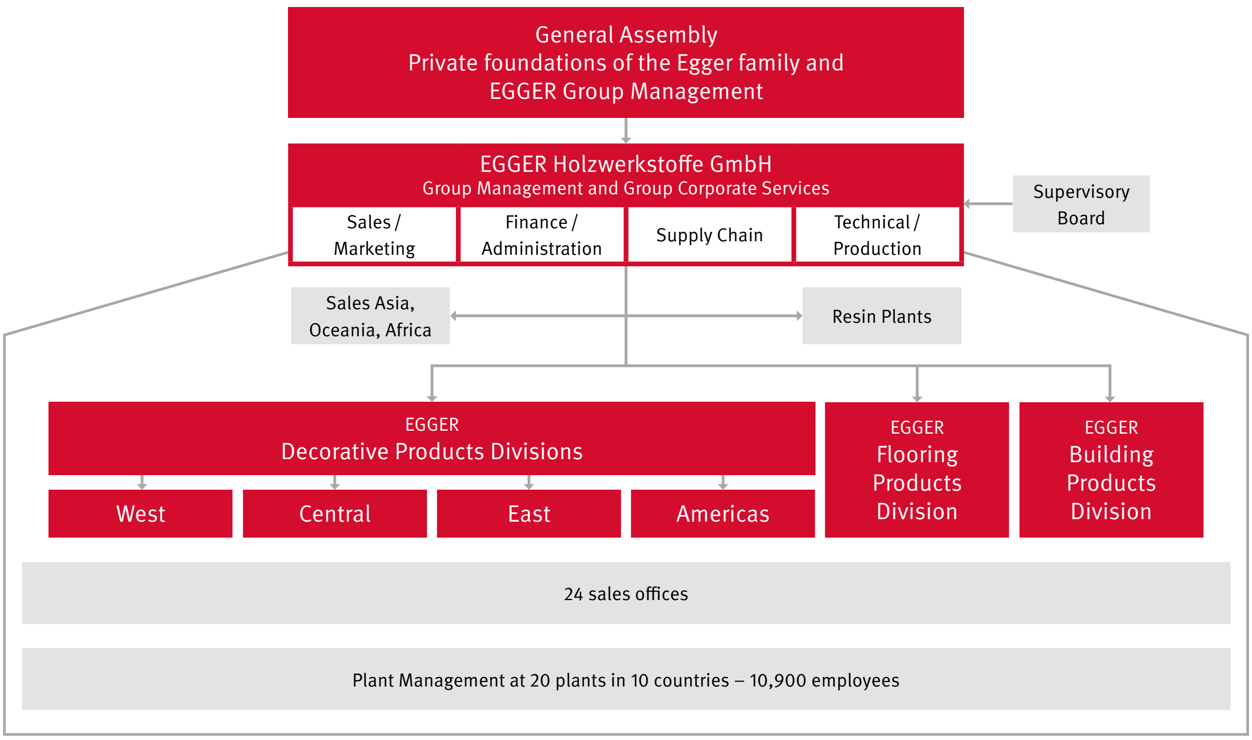
Management Report on the Consolidated Interim Financial Statements as of October 31, 2022

of Egger Holzwerkstoffe GmbH, St. Johann in Tirol

1 Business and Operating Environment

1.1 Organizational and management structure

Egger Holzwerkstoffe GmbH is the parent company of our Group, which includes companies in Austria, Germany, France, Great Britain, Russia, Romania, Poland, Turkey, Argentina and the USA as well as sales subsidiaries in Eastern Europe, Benelux, Scandinavia, Switzerland and Overseas (Asia, Australia and South America) that report directly to the respective country organizations.



Simplified organizational chart of the EGGER Group

Number of employees as of October 31, 2022: 10,919; average for the half-year: 10,881

The Managing Board (**Group Management**) of the parent company, Egger Holzwerkstoffe GmbH, includes Thomas Leissing (Speaker of Group Management, CFO, Finance / Administration), Frank Bölling (CSCO, Logistics), Michael Egger jun. (CSO, Sales / Marketing) and Hannes MItterweissacher (CTO, Engineering / Production).

The **Supervisory Board** supports the Managing Board on strategic issues. In addition to Fritz Egger (Chairman), the Supervisory Board includes Robert Briem, Ewald Aschauer (Chairman of the Audit Committee; independent), Michael Stiehl (independent), Alfred Wurmbrand (independent) and, since September 2022, Walter Schiegl. The full Supervisory Board is responsible for issues involving the remuneration and appointment of members to the Managing Board.

Cooperation between the Managing Board and Supervisory Board takes place through quarterly Supervisory Board meetings that cover the budget and investments as well as monthly reporting.

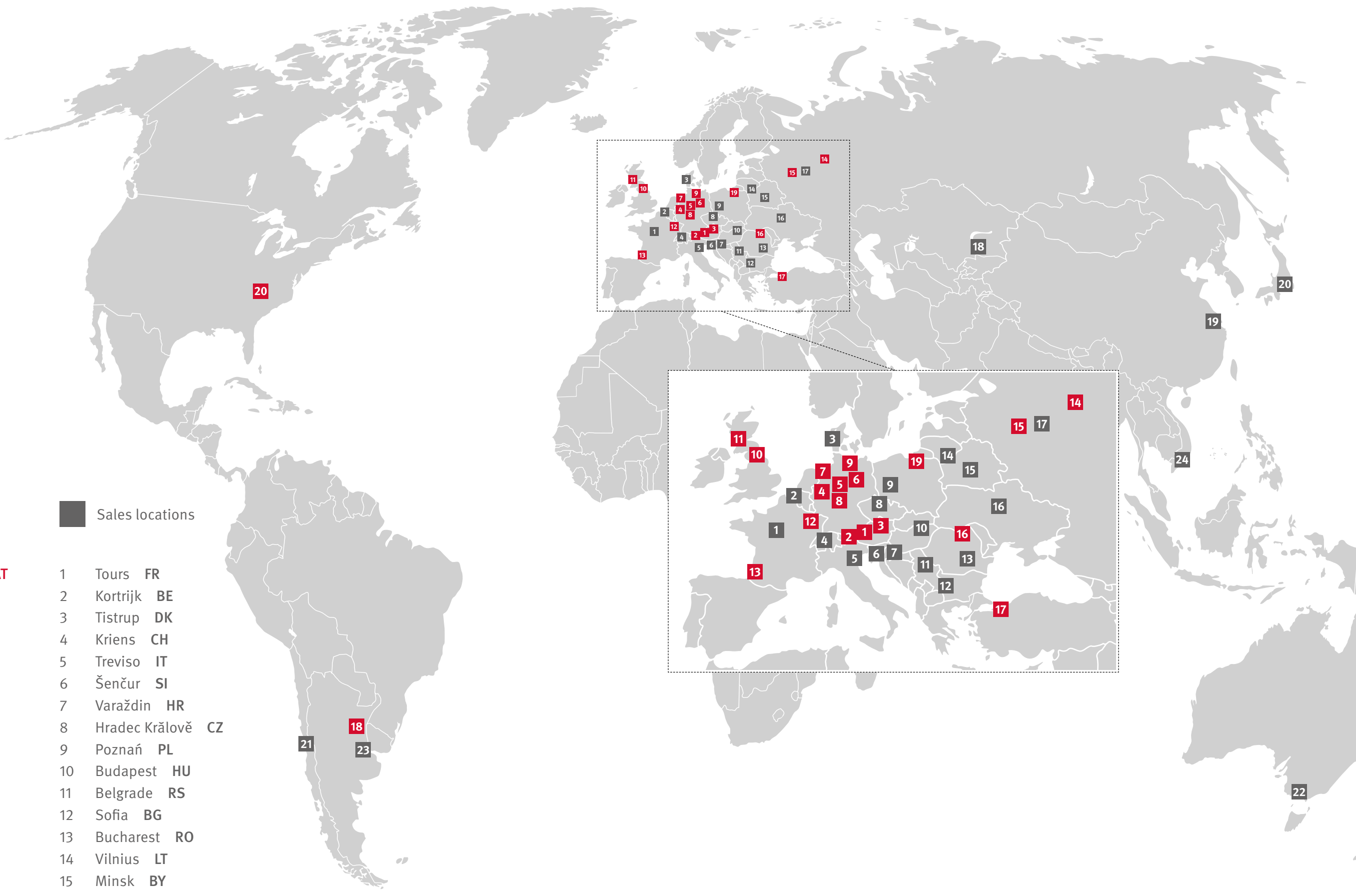
We rely on **management teams** for the direction of our organizational units, whereby the individual responsibilities cover production and engineering, sales and marketing, logistics as well as finance and administration. This structure applies to Group Management, divisional management and the regional plant organizations. In addition, **staff managers** are responsible for the following areas: engineering, production, procurement, marketing, communications, sales controlling, IT, logistics, human resources, accounting, treasury, legal and tax.

1.2 Operating segments and market structure

Living and working with wood is our passion. Under the EGGER umbrella brand, we unite an extensive variety of products for numerous private and public sector applications – for example: kitchens, bathrooms, offices, living rooms and bedrooms as well as retail and gastronomy facilities, trade fairs and the commercial sector. Our direct and indirect customers include the furniture and wood industry, wood and building material retailers, home improvement markets, architects and fabricators.

Markets and production facilities

EGGER thinks global and acts local – with production facilities at **20 locations in 10 countries** and products that are sold throughout the world. We see ourselves as an international company with Tyrolean roots. The European and American markets are our primary focus, but we also sell in strategic export markets outside Europe. A global sales organization, efficient logistics, **24 company-operated sales offices** and an international network of r**etail partners in over 90 countries** ensure the systematic development of markets.



Production sites

1 St. Johann in Tirol AT
2 Wörgl AT
3 Unterradlberg AT
4 Brilon DE
5 Bevern DE
6 Gifhorn DE
7 Bünde DE
8 Marienmünster DE
9 Wismar DE
10 Hexham UK
11 Barony UK
12 Rambervillers FR
13 Rion des Landes FR
14 Shuya RU
15 Gagarin RU
16 Rădăuţi RO
17 Gebze TR
18 Concordia AR
19 Biskupiec PL
20 Lexington, NC US

Sales locations

1 Tours FR
2 Kortrijk BE
3 Tistrup DK
4 Kriens CH
5 Treviso IT
6 Šenčur SI
7 Varaždin HR
8 Hradec Králové CZ
9 Poznań PL
10 Budapest HU
11 Belgrade RS
12 Sofia BG
13 Bucharest RO
14 Vilnius LT
15 Minsk BY
16 Kyiv UA
17 Moscow RU
18 Almaty KZ
19 Shanghai CN
20 Tokyo JP
21 Santiago de Chile CL
22 Melbourne AU
23 Buenos Aires AR
24 Ho Chi Minh City VN

Our organizational structure is based on divisions and markets to support optimal market development and close proximity to our customers. **Furniture and interior design** (wood materials and accessories for decorative furniture and interior construction) is the largest product area. These products are produced and sold by the EGGER Decorative Products Division.

The EGGER **Flooring** Products Division produces and markets laminate flooring, comfort flooring and design flooring.

The third product area covers **building products** like OSB boards and sawn timber products, which are produced and marketed by the EGGER Building Products Division.

Furniture and interior design

Flooring

Building products

We also classify our customer groups by market into the following sales channels/branches:

- **Industry**
  This sales channel services large customers from the furniture industry and industrial customers involved in wood construction.

- **Retail**
  This sales channel supplies specialized retailers that sell to fabricators, planners and architects as well as smaller to medium-sized industrial companies.

- **DIY**
  This sales channel concentrates on building material chains and DIY stores which sell to consumers and independent professionals.

1.3 The development of business

1.3.1 The economic environment and influencing factors

The development of our business is influenced, above all, by the following key factors:

- Our business activities are closely linked to the **development of the economy** and the gross domestic product (GDP) in all countries where we are present. GDP growth influences the purchasing power and investment behavior of private households and business customers and, in this way, has an impact on our customers and their business with our company.

- The **development of the construction industry** and the resulting renovation activity (renovation cycles based on past construction) have a significant influence on the demand for wood materials. The development of new construction, in particular, has a direct impact on the demand for building products (OSB and sawn timber). Sales of our flooring products are influenced not only by new construction, but also by renovation. Important customer groups for our decorative wood products are the kitchen and office furniture industries, whose business is driven by renovation and by residential and commercial construction. Important drivers for new residential construction include demographic developments, bank lending policies, interest rate trends and consumer confidence.

- Business in the EGGER Decorative Products Divisions is influenced, above all, by **developments in the furniture industry**, which is the most important customer for laminated wood materials.

- The **development of competition** in the wood materials industry also has a significant impact on our business. New capacity or the shutdown of production facilities or equipment can lead to major shifts in market shares and/or to a surplus or shortfall of market capacity and thereby have a substantial influence on market prices.

- As an industrial company that uses substantial quantities of raw materials, we are also heavily dependent on the availability and price levels of **key raw materials.**

1.3.2 Global economic trends

Global growth slowed more rapidly than expected during the first half-year, and inflation has reached a level not seen in decades. The outlook has been significantly clouded by the sharp rise in the cost of living, more restrictive financial conditions in most regions, the ongoing crisis in Ukraine and the still present corona pandemic.

Projections point to a decline in global growth from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. That represents the weakest growth profile since 2001, apart from the global financial crisis and the acute phase of the corona pandemic.

Global inflation is expected to increase from 4.7% in 2021 to 8.8% in 2022, but then decline to 6.5% in 2023 and 4.1% in 2024.

(Source: WEO 2022 10)

Growth rates for real GDP (gross domestic product) in %	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
World	−3.0	6.0	3.2	2.7	3.2	3.4
Advanced economies	−4.4	5.2	2.4	1.1	1.6	1.9
Emerging markets and developing economies	−1.9	6.6	3.7	3.7	4.3	4.3
European Union	−5.6	5.4	3.2	0.7	2.1	2.2
Eurozone	**−6.1**	**5.2**	**3.1**	**0.5**	**1.8**	**1.9**
Latin America and the Caribbean	−7.0	6.9	3.5	1.7	2.4	2.5
Argentina	−9.9	10.4	4.0	2.0	2.0	2.0
Brazil	−3.9	4.6	2.8	1.0	1.9	2.0
Austria	−6.7	4.6	4.7	1.0	1.9	1.8
Belgium	−5.7	6.2	2.4	0.4	1.4	1.2
China	2.2	8.1	3.2	4.4	4.5	4.6
Czech Republic	−5.5	3.5	1.9	1.5	3.9	3.4
France	−7.9	6.8	2.5	0.7	1.6	1.8
Germany	−3.7	2.6	1.5	−0.3	1.5	2.2
Greece	−9.0	8.3	5.2	1.8	2.2	1.8
Italy	−9.0	6.6	3.2	−0.2	1.3	1.1
Japan	−4.6	1.7	1.7	1.6	1.3	0.9
Netherlands	−3.9	4.9	4.5	0.8	1.7	1.6
Poland	−2.2	5.9	3.8	0.5	3.1	3.4
Romania	−3.7	5.9	4.8	3.1	3.8	3.5
Russia	−2.7	4.7	−3.4	−2.3	1.5	1.0
Spain	−10.8	5.1	4.3	1.2	2.6	2.7
Turkey	0.0	0.0	0.0	0.0	0.0	0.0
United Kingdom	−9.3	7.4	3.6	0.3	0.6	2.3
United States	−3.4	5.7	1.6	1.0	1.2	1.8

Source: International Monetary Fund, World Economic Outlook Database, October 2022

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1.3.3 The construction industry and renovation in Europe

EUROCONSTRUCT reported a sound increase in the pace of construction during the past year but expects the resulting volume will exceed the pre-corona level in only 14 of the 19 member countries during 2022. This forecast assumes the backlog in demand will set the tone for the economy and construction in 2022.

The sharp rise in energy prices and renewed material shortages caused by the Ukraine crisis led to a downward revision of roughly 1.5% each in the forecasts for residential and non-residential construction. In spite of this reduction, both segments are projected to grow by more than 2% in 2022. The construction sector will duplicate this year's increase with a plus of 2.3% in 2023, and the EUROCONSTRUCT sees an increase of 1.4% in 2024.

(Source: ifo Schnelldienst 7/2022: Ludwig Dorffmeister at the EUROCONSTRUCT-Summer Conference in 2022)

1.3.4 Competitive position

We are one of the leading companies in the European wood materials industry. Our objective is to develop and maintain a strong position on all relevant markets with our core products. A wide-ranging product portfolio makes us a complete supplier for decorative wood materials, wood construction and flooring.

The competitive situation for decorative wood materials

The renovation and expansion boom triggered by the corona pandemic has been followed by a noticeable decline in demand since spring 2022. The underlying causes include rising costs for raw materials, transport and energy, high retailers' stocks and an inflation-related cutback in new construction projects. The decline in demand has been particularly strong in Eastern Europe, where industrial companies are not only faced with difficult conditions on their home markets, but also with a drop in demand from the west.

The competition has reacted, above all, with volume reductions: Production output has been reduced through the temporary shutdown of laminating aggregates or the introduction of short-time work models. The existing excess capacity has also been reflected in very aggressive pricing behavior, especially for basic products.

The tense market situation has led a number of competitors to invest greater resources in cooperation with architects, a practice followed by EGGER for many years.

All the same, companies continue to invest in new projects – for example, Kronospan with its new plants in Tortosa (ES) and Sanem (LU) which are scheduled to start operations in 2023. In Canada, Uniboard is constructing a new chipboard plant and Tafisa is expanding its laminating capacity. Arauco plans to increase its laminating capacity in North America. Berneck has started operations with a new MDF plant in Brazil, but the current low demand has prevented full capacity utilization to date.

The Russia-Ukraine crisis and the sanctions against Russia have led to a shift in global supply flows for wood and wood material products. EGGER has implemented a strict compliance structure and program to ensure the observance of all sanctions covering economic relations between the countries relevant for EGGER and Russia. EGGER is committed to legally compliant behavior at all times and will, of course, observe and meet all applicable legal regulations.

The competitive situation for flooring

The laminate flooring business has slowed noticeably in comparison with the previous year due to a visible decline in demand on the major core markets. Laminate flooring was one of the beneficiaries of the corona crisis, but consumer interest has since been reduced by the higher, and still rising, production and energy costs.

Branch volumes were roughly 20% lower year-on-year in the first half of 2022 (according to EPLF). The laminate flooring market in Western Europe has recently weakened. In Eastern Europe, this negative trend has been reinforced by Turkish suppliers in the Southeast European markets. The overseas business has also been influenced by a significant increase in freight costs in addition to the high production and energy costs in Europe.

The substantially higher costs for chemical precursors, energy and wood have forced the entire flooring branch to implement massive price increases, optimize energy consumption in production and/or shutdown equipment. These price increases will lead to a further reduction in demand because the costs for construction projects are increasing so dramatically that projects are being postponed. In the DIY business, consumers' price thresholds have been passed and consumption can be expected to decline.

NNew competing materials like SPC flooring (rigid flooring) and ceramic flooring are becoming more important. LVT flooring is coming under increasing pressure due to ecological aspects (criticism on the use of plastic) and uncertain supply chains.

From the viewpoint of consumers, the megatrend towards sustainability is currently obscured or slowed by uncertainty and inflation. However, we continue to rely on laminate flooring as a regionally produced, wood-based, ecologically sustainable, strong cost-effective performer over the medium-term.

The competitive situation for construction products

The worldwide demand for OSB and sawn timber has also weakened since spring 2022. The conflict in Ukraine and the resulting strong increase in energy prices have had a significant negative influence on the construction sector. Construction has also been negatively influenced by the recent interest rate hikes.
Construction has become too expensive for many private persons and public institutions, and this has led to the postponement or cancellation of projects. A massive reduction in projects is currently visible, especially in the DACH region.

These factors have created increasing volume problems for the European OSB plants since summer 2022, and capacity has been reduced at many locations. Forecasts point to a decline of roughly 15 to 20% for OSB products in Europe during 2023.

The market demand for sawmill products has also weakened, and a further decline of 2.5% in the demand for sawn softwood timber is assumed. However, we expect full capacity utilization in our sawmill during 2023 due to our wide-ranging international sales channels.

1.3.5 Raw material supplies and prices

The situation on the raw material and energy markets was, and still is, challenging. Supplies of key raw materials – wood, chemicals and paper – were secured at all times for all our plants during the past half-year. However, **cost increases** and **volatility** required closer attention given the fact that material and energy costs, in total, consume more than 55.0% of revenues.

Our top priorities include the monitoring of price trends for key raw materials on procurement markets and the protection and continuous improvement of supply availability. Raw materials supplies are generally purchased from **long-term partners**. The most important raw materials, e.g. wood, chemicals and paper, are managed by a **central procurement department**, which supports the local plants in their purchasing activities and identifies and optimizes synergies for the Group.

The **prices** on all our relevant raw material markets rose sharply year-on-year during the second half of 2021/22 – and continue to trend upward.

Securing adequate supplies of **timber** represents the most important aspect of our raw materials procurement. The average price of timber increased significantly over HY 2021/22, with different fluctuations in individual regions and plants. The growing use of timber for thermal energy generation (biomass power plants, pellets, biofuels) has a long-term influence on prices. To safeguard and improve timber supplies, we rely primarily on long-term partnerships and contracts with our suppliers and are developing a **backward integration** strategy. It includes investments in short-rotation plantations, a company-owned sawmill, and forestry management and wood recycling companies.

In the **chemicals** area, our **own resin plants** in Wismar (DE), Radauti (RO) and Hexham (UK) cover a large part of our adhesive and impregnating resin requirements. The high gas prices, in particular, led to massive cost increases throughout the entire chemicals sector during the past half-year. This situation eased slightly towards the end of the first half of 2022/23, but the volatility and uncertainty remain – similar to the situation on the gas markets.

Raw and decor papers for the production of laminating materials represent the third major component of our raw material supplies. We rely on a central procurement structure for our paper supplies and the conclusion of medium-term contracts with leading suppliers. Similar to developments on the timber and chemicals markets, paper prices also increased considerably over HY 2021/22.

Energy procurement prices for electricity and natural gas increased substantially throughout the entire Group in the first half of 2022/23. We have safeguarded gas and electricity supplies for all our plants but continue to monitor the situation closely and work together with local authorities.

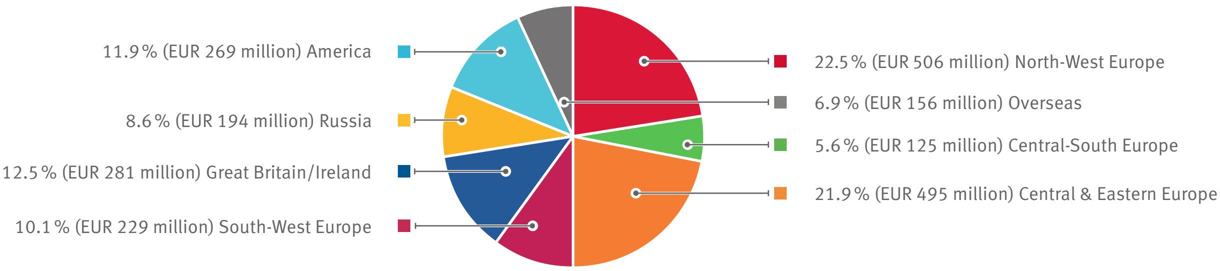
We are currently working on a number of energy optimization projects. Natural gas consumption is minimized by the use of modern **biomass power plants** at all major locations. Our objective is to discontinue the use of fossil fuels as far as possible, while avoiding the thermal utilization of raw materials that can be used in production as part of the wood lifecycle. We are opposed to the one-sided subsidy of wood burning for thermal energy generation and support the **cascading use of wood**. Under this approach, wood is used as an input material as long as possible before final thermal utilization. Our plants in Unterradlberg (AT), Wismar (DE), Brilon (DE), Radauti (RO) and Rambervillers (FR) produce electricity with their own combined power and heat generation equipment and thereby maximize energy generation efficiency and independence. We are also installing photovoltaic equipment at an increasing number of locations to become more independence from fossil energy.

1.3.6 Business development in HY 2022/23

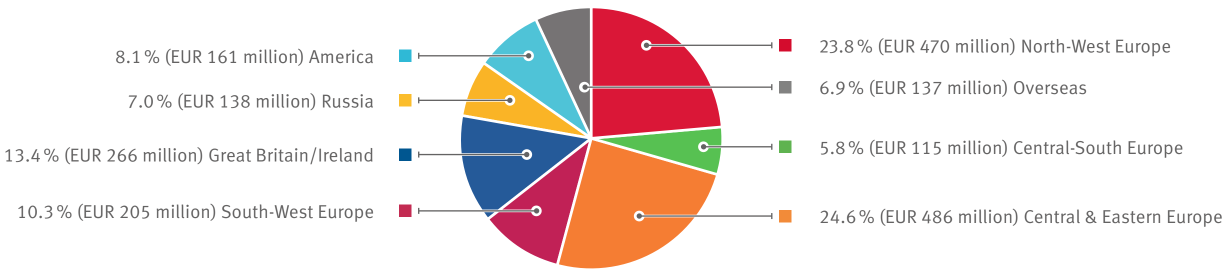
Consolidated revenues recorded by the EGGER Group rose by 14.0% year-on-year to EUR 2,255.4 million in the first half of 2022/23. This growth was based primarily on increased raw material costs and the resulting higher selling prices in all divisions. The record prior year volumes were not reached, however, because of a decline in demand. An increase in volumes over the previous year was only recorded by our newest plant in Lexington, NC (US) and reflected the further development of the US market.

The most important **sales channels** in the first half of 2022/23 were the retail trade with 52.3% and industry with 41.0% of consolidated revenues (HY 2021/22: 55.1% and 37.4%). The high share of the retail trade reflects our strategy. The share of revenues recorded in the DIY sales channel declined from 7.5% to 6.7%.
Despite our progressive internationalization, we are still active primarily on the wood materials market in Europe. Our revenues are classified as follows by **region**, based on the location of the customers:

Revenues by sales region (HY 2022/23)



Revenues by sales region (HY 2021/22)



– North-West Europe comprises Germany, Belgium, the Netherlands, Luxembourg and Scandinavia.
– Central-South Europe comprises Austria, Switzerland and Italy.
– Central & Eastern Europe includes, above all, Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Serbia, Croatia, Slovenia, Ukraine, Belarus, Latvia, Estonia, Lithuania, Turkey, Greece and the Near East.
– South-West Europe covers France, Spain and Portugal.
– The Overseas region covers all countries outside Europe and the Americas.
– America covers North, Central and South America.

EGGER's most important geographic market is **Western Europe**, which covers the following sales regions: North-West Europe, Great Britain and Ireland, South-West Europe and Central-South Europe. The West European market recorded revenues of EUR 1,141.4 million in the first half of 2022/23 (50.6% of Group revenues). The importance of **Germany** for the wood materials market is based, above all, on the kitchen and furniture industry, which is heavily represented in this country. German furniture manufacturers export their products to many other regions and have an above-average demand for wood materials.

Other important market regions are **Central and Eastern Europe** plus **Russia**, where combined revenues totaled EUR 688.5 million (30.5% of Group revenues). The share of Group revenues declined slightly in comparison with HY 2021/22.

We have adapted the business model for our business activities in Russia to ensure legal conformity with the sanctions applicable to economic relations between the countries relevant for EGGER and Russia. Our two Russian plants are largely independent and, as local producers, exclusively produce and supply the Russian and Byelorussian market as well as countries that are not subject to sanctions related to the conflict. No EGGER wood materials from Russian production are sold in the European Union, Great Britain or other western countries.

The countries outside Europe (**North/South America and the Overseas region**) are playing an increasingly important role for the Egger Group. Revenues in this region amounted to EUR 425.4 million in the first half of 2022/23 (18.9% of Group revenues). The share of revenues in the overseas markets remained stable in total, but we recorded above-average revenue growth in North and South America.

1.3.7 Business development in HY 2022/23 by division

The **Decorative Products Division** for furniture and interior construction with its four regions – West, Central, East and Americas – generated 78.1% of Group revenues in the first half of 2022/23. Revenues amounted to EUR 1,873.9 million and were 17.4% higher year-on-year (EUR 1,596.6 million).

The **Flooring Products Division** was responsible for 11.2% of Group revenues with an 11.4% year-on-year increase to EUR 269.8 million (EUR 242.2 million).

The **Building Products Division** recorded a decline in revenues compared with the unusually strong previous year. Revenues totaled EUR 256.4 million and were 6.2% lower year-on-year. The share of Group revenues declined from 12.9% to 10.7%. Volumes at the OSB plant in Radauti (RO), in particular, were negatively influenced by the general economic downturn, while the sawmill also recorded a decline in revenues.

Revenues by Segment / Division		HY 2022/23	HY 2021/22	HY 2020/21	Dev. in % HY 2022/23 to HY 2021/22
Decorative Products	EUR mill.	1,873.9	1,596.6	1,187.8	17.4%
Flooring Products	EUR mill.	269.8	242.2	195.7	11.4%
Building Products	EUR mill.	256.4	273.4	155.6	−6.2%
Total (unconsolidated)	**EUR mill.**	**2,400.0**	**2,112.2**	**1,539.1**	**13.6%**
Consolidation (1)	EUR mill.	−144.6	−134.1	−89.7	−7.8%
Total	**EUR mill.**	**2,255.4**	**1,978.1**	**1,449.4**	**14.0%**

(1) Represents intersegmental revenues; revenues within the individual segments are already consolidated

Share of unconsolidated Revenues		HY 2022/23	HY 2021/22	HY 2020/21
Decorative Products	in %	78.1%	75.6%	77.2%
Flooring Products	in %	11.2%	11.5%	12.7%
Building Products	in %	10.7%	12.9%	10.1%
Total	**in %**	**100.0%**	**100.0%**	**100.0%**

1.3.8 Market and branch developments in the furniture and interior construction business

Furniture and interior construction (decorative wood materials) was responsible for more than 78% of our total revenues in the first half of 2022/23. Revenues in this business area were 17.4% higher year-on-year.

DThis increase is chiefly attributable to the higher prices which resulted from the sharp rise in costs, initially for chemicals but also for raw materials and energy. Sales volumes declined during the first half of 2022/23: In addition to the collapse of the market in Ukraine and other parts of Eastern Europe, substantial declines were recorded in Poland and the Baltic States. Lockdown measures in the Asian region had a negative effect on our sales volumes in the overseas business. In contrast, sales volumes on the American continent increased substantially – especially in North America following the increase in capacity at our plant in Lexington, NC (US) but also in Latin America through our plant in Concordia (AR).

1.3.9 Market and branch developments in the flooring business

The sales boom for our flooring products which began in autumn 2020 has been followed by clearly more difficult market conditions and declining demand. Prices were increased over the level in HY 2021/22 but were unable to completely cover the higher raw material and energy costs. This situation was intensified by volume declines on all major markets, especially in Russia. Year-on-year volume declines were also recorded in Benelux, Great Britain, Scandinavia, Romania and Overseas. The reduction was less negative in Germany, our second largest single market for flooring products after Russia: Sales volumes in this country were lower but revenues increased.

1.3.10 Market and branch developments in the construction products business

The downturn in the construction sector had a clearly negative influence on the demand for our OSB products, not only in Germany, our largest market, but also in Eastern Europe. In contrast, higher volumes were recorded in the overseas business with China and Japan. Revenues from our OSB products, in total, declined year-on-year in the first half of 2022/23.

Sales volumes of our sawmill products also decreased in line with the negative trend, above all in Germany and Great Britain. This decline was only offset in part by higher volumes in the overseas business – here, above all, in Australia, North America, China and South Asia. Changes in the market mix and a downward trend in Europa were also responsible for a lower price level in comparison with HY 2021/22.

2 Earnings, Financial and Asset Position

2.1 Earnings

2.1.1 Revenues

Consolidated revenues recorded by the EGGER Group totaled EUR 2,255.4 million in the first half of 2022/23 (HY 2021/22: EUR 1,978.1 million), for a year-on-year increase of 14.0%. The increase was supported by selling prices that were adjusted to reflect the sharp rise in raw material and energy costs. In contrast, we were faced with volume declines during the first half of 2022/23. The ongoing multiple crises (energy, inflation, Russia-Ukraine etc.) have had a negative influence on purchasing power and consumer behavior. The only year-on-year volume growth was recorded by our newest plant in Lexington, NC (US).

A detailed description of the development of business in the individual divisions during the reporting year is provided under points 1.3.7 to 1.3.10.

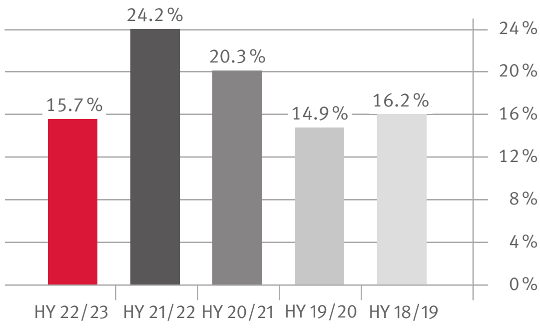
2.1.2 Earnings

Earnings Indicators		HY 2022/23	HY 2021/22	HY 2020/21	Dev. in % HY 2022/23 to HY 2021/22
Revenues	EUR mill.	2,255.4	1,978.1	1,449.4	14.0%
EBITDA	EUR mill.	353.7	478.6	293.9	−26.1%
EBITDA margin	in %	15.7%	24.2%	20.3%	
EBIT (1)	EUR mill.	151.8	345.7	185.9	−56.1%
Financial results (2)	EUR mill.	−8.8	−12.0	−5.3	26.8%
Profit before tax (PBT) (1)	EUR mill.	143.0	333.6	180.6	−57.1%
Profit after tax (PAT)	EUR mill.	99.5	250.8	135.1	−60.3%

(1) The actual reporting period includes impairment losses to property, plant and equipment of the Russian cash generating units "Plant Gagarin / Segment Flooring Products" totaling of 15,374 TEUR and "Plant Gagarin / Segment Decorative Products" totaling of 51,351 TEUR.
(2) Includes income from financial investments and associates

Operating EBITDA (earnings before interest, taxes, depreciation and amortization) totaled EUR 353.7 million in the first half of 2022/23 and was substantially lower than the previous year (HY 2021/22: EUR 478.6 million, or −26.1%). The decline involved all divisions, whereby the comparative prior year period was influenced by an unusually good market environment and margin levels in all areas. The EGGER Building Products Division reported the most substantial decline in earnings.

EBITDA margin



The EBITDA margin equaled 15.7% in the first half of 2022/23 (HY 2021/22: 24.2%), whereby the decline reflected the current challenging market environment.

Operating profit before interest and taxes (EBIT), profit before tax (EUR 143.0 million), and net profit (EUR 99.5 million) dropped by more than half compared with the record previous year. Of this decline, EUR 66.7 million resulted from impairment losses to property, plant and equipment at our location in Gagarin (RU) and reflect a further deterioration in the economic forecasts and uncertainty connected with the Russia-Ukraine conflict.

2.1.3 Development of earnings in the segments/ divisions

EBITDA by Segment / Division		HY 2022/23	HY 2021/22	HY 2020/21	Dev. in % HY 2022/23 to HY 2021/22
Decorative Products	EUR mill.	302.6	344.7	246.7	−12.2%
Flooring Products	EUR mill.	15.4	30.3	23.2	−49.1%
Building Products	EUR mill.	35.6	103.6	24.1	−65.6%
Total	**EUR mill.**	**353.7**	**478.6**	**293.9**	**−26.1%**

Development of earnings in the EGGER Decorative Products Division

EBITDA in the **Decorative Products Division** with its four regions – West, Central, East and Americas – fell by 12.2% from EUR 344.7 million to EUR 302.6 million. The decline was limited in the central and western markets but much stronger in the eastern region where the negative effects of the Russia-Ukraine conflict were most directly felt. This development was most visible at the plants in Gagarin (RU), Radauti (RO) and Biskupiec (PL), while the plants in North and South America were able to increase earnings over the previous year in a more friendly market environment.

Development of earnings in the EGGER Flooring Products Division

Earnings in the **EGGER Flooring Products Division** were negative with an EBITDA minus of 49.1% in the first half of 2022/23. This decline was the result of weaker demand and higher raw material and energy prices that could not be passed on in full to customers in a market that is still characterized by excess capacity. All major markets reported a year-on-year decline in volumes, whereby our production location in Gagarin (RU) was particularly hard hit.

Development of earnings in the EGGER Building Products Division

The **EGGER Building Products Division**, which markets our OSB and sawn timber products, recorded a sharp drop in EBITDA – based on a record level – from EUR 103.6 million in the previous year to EUR 35.6 million in the first half of 2022/23. It was expected that the division would be unable to duplicate the high prior year volumes and margins over the long-term. The decline was especially visible in our OSB plant in Radauti (RO) and at our sawmill in Brilon (DE).

2.1.4 Financial results

Financial results (incl. income from financial investments and associates) totaled EUR –8.8 million in the first half of 2022/23 (HY 2021/22: EUR –12.0 million). This improvement resulted primarily from a year-on-year decline in negative foreign exchange results. Interest expense and other financial expenses increased in line with the upward trend in market interest rates. However, this increase was not fully offset by the effects that followed an improvement in our credit rating and a reduction in financial liabilities through scheduled and premature repayments.

2.1.5 Taxes

Income tax amounted to EUR 43.6 million at the Group level in the first half of 2022/23 (HY 2021/22: EUR 82.8 million). The decline resulted from the reduction in profit before tax, which fell from EUR 333.6 million to EUR 143.0 million. The tax rate rose from 24.8% in the first half of 2021/22 to 30.5%.

2.2 Financial position

2.2.1 Financing and treasury

The primary goals of financial management/treasury in our Group are to **limit the financial risks** that may impair the company's continued existence (liquidity and default risks) and to **protect earning power** (foreign exchange, interest rate, market and price risks), while ensuring the ability to meet payment obligations at all times and minimizing financing costs.

The limitation of risk does not mean complete exclusion, but rather the **economically reasonable management** of financial risks within a framework that is defined by the Group's comprehensive financial management guideline and supplementary operating rules.

In addition to the management of financial risks, another important goal is to protect and expand the circle of external financing sources and thereby safeguard the further development of the EGGER Group through organic growth and/or acquisitions.

The most important **treasury indicators** for the EGGER Group are the debt repayment period (net debt / EBITDA) and the equity ratio (equity/ balance sheet total), which are monitored on a regular basis. EGGER has set the following targets for its **internal** strategic goals, which are also used to measure results at the Group level: an equity ratio of at least 30% and net debt / EBITDA of less than three years over the long-term.

The treasury indicators / financial covenants defined by **external** agreements are higher (net debt/EBITDA), respectively lower (equity ratio) than the internally defined ratios. These agreements call for a net debt / EBITDA ratio of less than 3.75 years and an equity ratio of at least 25%.

Treasury Indicators		31.10.2022	30.04.2022	30.04.2021
Equity ratio	in %	51.2%	50.9%	42.0%
Net debt / EBITDA	years	0.95	0.64	1.34

The increase in the debt repayment period from 0.64 to 0.95 years as of October 31, 2022 is based on the 14.2% decline in EBITDA (on a 12-month basis) and an increase of EUR 149.3 million, or 26.5%, in net debt. The increase in net debt resulted chiefly from the reclassification of the hybrid bond from equity to short-term liabilities to reflect the announced termination. The equity ratio rose from 50.9% to 51.2%. The negative effect on equity from the reclassification of the hybrid bond was offset by a positive earnings contribution after distributions that was supported by accounting adjustments for currency translation gains.

2.2.2 Financing analysis

The primary strategic goals of our corporate financing are the protection of liquidity and the diversification of capital sources and financing instruments.

A key element of the financing strategy is the use of free cash flow for investments, which safeguards internally generated growth.

External financing in the EGGER Group follows a three-component model:

The **first component** is formed by **bank financing**. The main building blocks of this financing are syndicated bank loans and committed credit lines (for strategic liquidity protection), which are concluded with a selected circle of core banks.

In September 2022, the EUR 400 million committed credit line that was concluded in October 2021 with a circle of core banks was extended by one year. This credit line now had a remaining term of five years as of October 31, 2022. The related agreement links part of the interest margin to the development of the sustainability rating (ESG corporate rating) issued by ISS ESG for our Group.

Of the total committed credit line, EUR 125 million were drawn during the reporting period for the short-term financing of scheduled liabilities and repaid at the end of the reporting period. The EUR 400 million committed credit line was available in full as of October 31, 2022.

The **second component** of external financing is based on the **capital market**. Our Group has successfully used the bond market as a financing source for many years and had a hybrid bond with an original volume of EUR 150 million outstanding as of October 31, 2022. In October 2022, Egger Holzwerkstoffe GmbH called the hybrid bond for premature repayment at the earliest possible repayment date, i.e. December 12, 2022, at the outstanding nominal amount (100%) of EUR 146.7 million plus accrued outstanding interest.

We have also placed promissory note loans since 2014. After the deduction of scheduled repayments, promissory note loans totaling EUR 424.5 million (nominal value) were outstanding as of October 31, 2022.

The **third component** of external financing consists of two **factoring programs**, under which receivables are sold on the basis of actual sales.

Derivative financial instruments are used only to hedge risk positions in underlying transactions.

Maturity Profile Financial Liabilities and Bonds		31.10.2022	30.04.2022	30.04.2021
Remaining term over 5 years	EUR mill.	64.0	126.0	250.6
Remaining term 1 - 5 years	EUR mill.	676.0	721.2	812.3
Remaining term under 1 year	EUR mill.	259.0	134.4	131.0
Total	**EUR mill.**	**999.0**	**981.6**	**1,193.9**

2.2.3 Cash flow

Based on gross cash flow and after the inclusion of changes in net working capital, cash flow from operating activities totaled EUR 261.9 million in the first half of 2022/23 (HY 2021/22: EUR 353.4 million).

Cash Flow Statement		HY 2022/23	HY 2021/22	HY 2020/21	Dev. in % HY 2022/23 to HY 2021/22
Gross Cash Flow	EUR mill.	280.0	432.1	283.9	–35.2%
Cash Flow from changes in net current asset	EUR mill.	–18.1	–78.7	83.6	77.0%
Cash Flow from operating activities	EUR mill.	261.9	353.4	367.5	–25.9%
Cash Flow from investing activities	EUR mill.	–214.9	–133.1	–124.6	–61.5%
Cash Flow from financing activities	EUR mill.	–176.5	–222.2	–161.0	20.6%
Net change in cash and cash equivalents	**EUR mill.**	**–129.5**	**–1.9**	**81.8**	**–6,843.8%**

Cash flow from investing activities (cash outflows for investments and acquisitions plus cash inflows from the disposal of property, plant and equipment) increased substantially to EUR 214.9 million in the first half of 2022/23 (HY 2021/22: EUR 133.1 million. Most of these funds were used for the expansion and modernization of the Austrian locations and further expansion in Lexington, NC (US). Major growth investments are also currently in progress at Wismar (DE), Gifhorn (DE), Brilon (DE), Rambervillers (FR) and Gebze (TR), and maintenance investments are in progress at all plants.

Cash flow from financing activities led to cash outflows of EUR –176.5 million in the first half of 2022/23 (HY 2021/22: EUR –222.2 million).

Free cash flow (cash flow from operating activities less cash flow from investing activities plus growth investments) totaled EUR 218.1 million in the first half of 2022/23 (HY 2021/22: EUR 308.1 million):

Free Cash Flow Statement		HY 2022/23	HY 2021/22	HY 2020/21	Dev. in % HY 2022/23 to HY 2021/22
Cash Flow from operating activities	EUR mill.	261.9	353.4	367.5	–25.9%
Cash Flow from investing activities	EUR mill.	–214.9	–133.1	–124.6	–61.5%
+ Growth Investments	EUR mill.	171.1	87.8	79.6	94.8%
Free Cash Flow	**EUR mill.**	**218.1**	**308.1**	**322.5**	**–29.2%**

2.2.4 Investments

Investments in intangible assets, property, plant and equipment totaled EUR 229.7 million in the first half of 2022/23. In comparison with HY 2021/22 (EUR 141.1 million), we invested considerably more to expand our existing locations. The expenditures for maintenance investments were slightly higher than the previous year at EUR 58.6 million (HY 2021/22: EUR 53.2 million).

Investment (incl. acquisitions)		HY 2022/23	HY 2021/22	HY 2020/21
Maintenance investment	EUR mill.	58.6	53.2	32.8
Growth investment (incl. acqu.)	EUR mill.	171.1	87.8	79.6
Total Investments	**EUR mill.**	**229.7**	**141.1**	**112.4**

The most important investments in the first half of 2022/23 involved the expansion of the location in St. Johann (AT) to include a further high-bay warehouse and the expansion of the plant in Lexington, NC (US) to add another laminating aggregate and impregnating line. In line with our strategy, we are also investing in recycling equipment (St. Johann i.T. (AT), Lexington, NC (US), Hexham (UK) and Brilon (DE)) and in the modernization of our adhesives plant in Wismar (DE). Expansion and modernization projects are also in progress in Gifhorn (DE), Gebze (TR), Unterradlberg (AT) and Brilon (DE).

A classification by segments shows the highest investments in Decorative Products, our largest business area:

Investment (incl. acquisitions)		HY 2022/23	HY 2021/22	HY 2020/21
Decorative Products	EUR mill.	193.8	123.0	101.6
Flooring Products	EUR mill.	29.0	12.4	8.5
Building Products	EUR mill.	6.8	5.7	2.3
Total Investments	**EUR mill.**	**229.7**	**141.1**	**112.4**

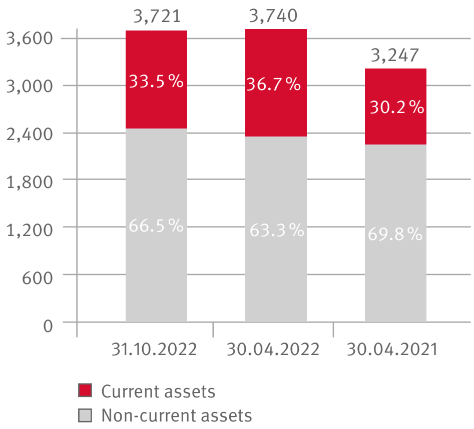
2.3 Assets

2.3.1 Analysis of the balance sheet structure

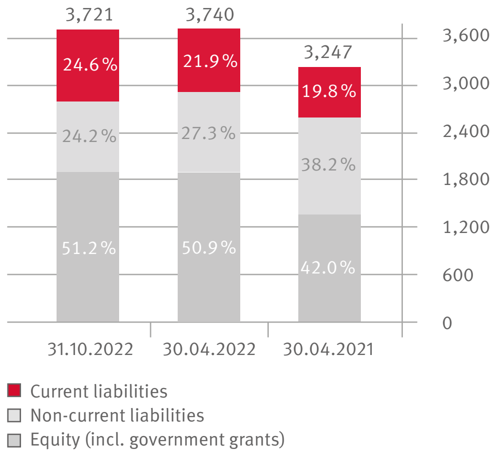
The balance sheet total declined slightly from EUR 3,740.2 million as of April 30, 2022 to EUR 3,720.9 million as of October 31, 2022. Non-current assets increased as a result of investments and the higher balance of inventories reflected the rising costs, while cash and cash equivalents declined by EUR 131.8 million in comparison with April 30, 2022.

Balance Sheet Development		31.10.2022	30.04.2022	30.04.2021	Dev. in % HY 2022/23 to FY 2021/22
Non-current assets	EUR mill.	2,472.6	2,368.6	2,266.6	4.4%
Inventories	EUR mill.	696.8	647.0	429.8	7.7%
Receivables	EUR mill.	163.0	192.6	126.3	−15.4%
Cash and cash equivalents	EUR mill.	286.3	418.1	362.4	−31.5%
Other current assets	EUR mill.	102.2	113.9	61.4	−10.3%
Balance sheet total	**EUR mill.**	**3,720.9**	**3,740.2**	**3,246.6**	**−0.5%**
Equity (including subsidies)	EUR mill.	1,905.8	1,902.0	1,362.3	0.2%
Provisions	EUR mill.	136.9	159.2	175.7	−14.0%
Non-current financial liabilities / bonds	EUR mill.	740.0	847.1	1,062.9	−12.6%
Current financial liabilities / bonds	EUR mill.	259.0	134.4	131.0	92.7%
Other liabilities	EUR mill.	679.3	697.5	514.7	−2.6%

Balance sheet structure: Assets (million)



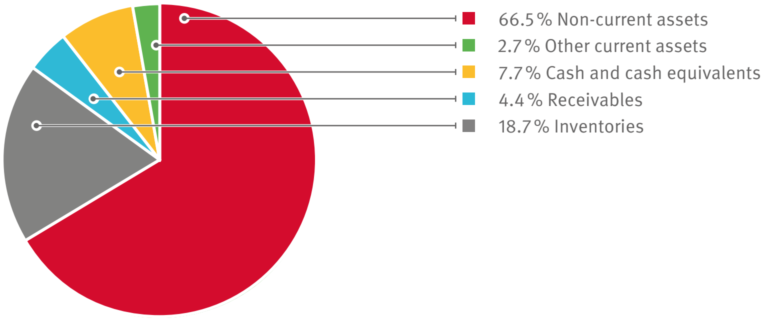
Balance sheet structure: Equity and Liabilities (million)



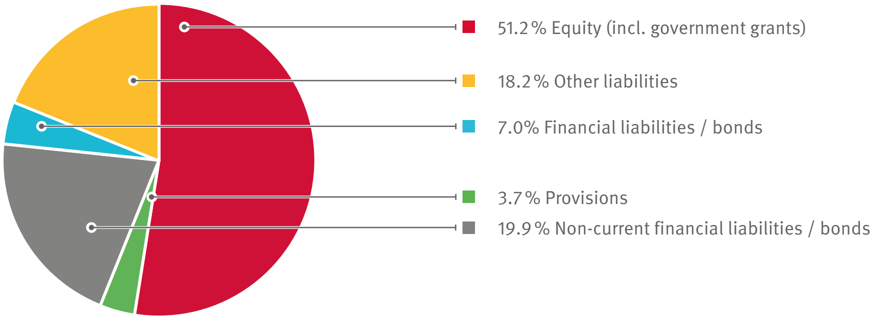
Non-current assets totaled EUR 2,472.6 million. These assets represent 66.5% of the balance sheet total (April 30, 22: 63.3%) and reflect the high capital intensity of the Group’s production processes.

The balance sheet structure shows the following picture as of October 31, 2022:

Balance sheet structure: Assets



Balance sheet structure: Equity and Liabilities



2.3.2 Working Capital

Working capital (inventories plus trade receivables less trade payables) rose by 13.0% from EUR 441.8 million as of April 30, 2022 to EUR 499.4 million as of October 31, 2022.

Working Capital		**31.10.2022**	**30.04.2022**	**30.04.2021**	**Dev. in % HY 2022/23 to FY 2021/22**
Inventories	EUR mill.	696.8	647.0	429.8	7.7%
+ Receivables	EUR mill.	163.0	192.6	126.3	−15.4%
– Trade payables	EUR mill.	360.5	397.8	285.9	−9.4%
Working Capital	**EUR mill.**	**499.4**	**441.8**	**270.3**	**13.0%**
Revenues	EUR mill.	4,511.6	4,234.3	3,082.8	6.5%
Working Capital in % of revenues	in %	11.1%	10.4%	8.8%	

The largest change took place in inventories, which rose by EUR 49.8 million over the level on April 30, 2022 due to the increase in raw material and production costs. Trade receivables declined by 15.4% from EUR 192.6 million as of April 30, 2022 to EUR 163.0 million as of October 31, 2022.

Trade payables declined by EUR 37.3 million and totaled EUR 360.5 million as of October 31, 2022.

Working capital as a percent of revenues increased slightly from 10.4% to 11.1%.

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2.3.3 Liquidity / net debt

Interest-bearing liabilities totaled EUR 999.0 million as of October 31, 2022 (April 30, 2022: EUR 981.6 million) and included a long-term financing component of 74.1% (April 30, 2022: 86.3%). All financing was concluded in Euros.

Net debt rose by EUR 149.3 million (+26.5%) to EUR 712.7 million as of October 31, 2022 (April 30, 2022: EUR 563.4 million). This increase is attributable, above all, to the reclassification of the hybrid bond from equity to current liabilities.

Net Debt		**31.10.2022**	**30.04.2022**	**30.04.2021**	**Dev. in % HY 2022/23 to FY 2021/22**
Financial liabilities and bonds	EUR mill.	999.0	981.6	1,193.9	1.8%
Less liquid funds	EUR mill.	286.3	418.1	362.4	−31.5%
Net Debt	**EUR mill.**	**712.7**	**563.4**	**831.5**	**26.5%**

2.3.4 Equity

Equity, including government grants, rose slightly from EUR 1,902.0 million as of April 30, 2022 to EUR 1,905.8 million. The increase was based on profit for the period and currency translation differences but reduced by distributions and the reclassification of the hybrid bond to current liabilities. The equity ratio, including government grants received, equaled 51.2% (April 30, 2022: 50.9%).

2.3.5 Provisions and other liabilities

Provisions declined by 14.0% from EUR 159.2 million as of April 30, 2022 to EUR 136.9 million as of October 31, 2022. As a percentage of the balance sheet total, provisions equaled 3.7% (April 30, 2022: 4.3%).

Other liabilities decreased slightly by 2.6% below the level on April 30, 2022 to EUR 679.6 million as of October 31, 2022, primarily due to a lower balance of trade payables.

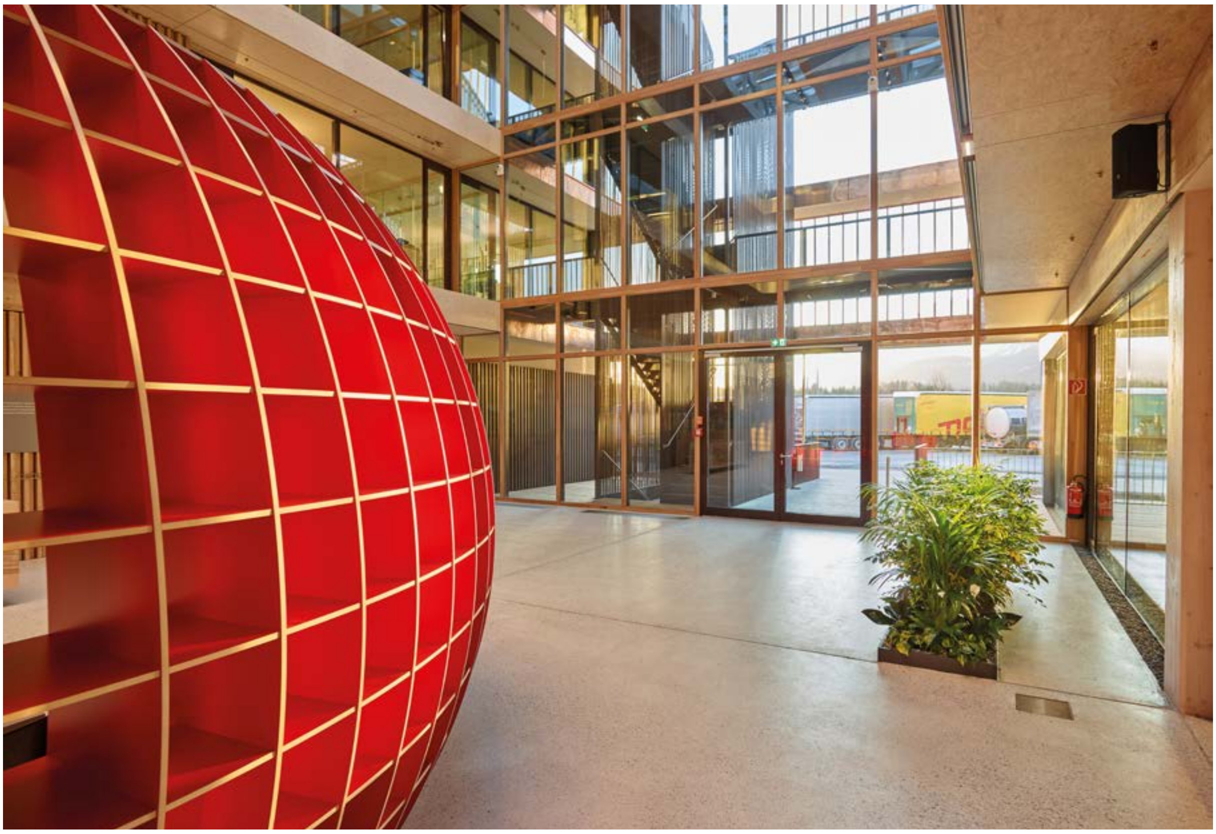
3 Subsequent Events, Risks, Opportunities and Outlook

3.1 Major risks, opportunities and uncertainties

No risks have been identified at the present time that could endanger the continued existence of the EGGER Group. We identify, assess and manage risks continuously within the context of our risk management system in accordance with predefined principles.

3.2 Significant events after the balance sheet date

No significant events occurred after the balance sheet date on October 31, 2022.



3.3 Expected development / outlook

The global economy is currently confronted with a wide range of challenges and turbulence. The outlook has been obscured by inflation, which has reached a level not seen in decades, as well as more restrictive financial conditions in most regions, the ongoing conflict in Ukraine and the still present corona pandemic.

Despite efforts by political decision-makers to curb inflation, demand is weakening as a result of rising interest rates. An increasing number of economies have entered a slow-growth or recession phase. The future of the world's economy will depend on the monetary steps taken by countries and their national banks, the development of the conflict in Ukraine, and limits on the pandemic-related disruptions of global supply chains.

Projections point to a decline in global growth from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. That represents the weakest point since 2001, apart from the global financial crisis and the acute phase of the corona pandemic. It also reflects the rapid slowdown in the world's largest economies: Roughly one-third of the global economy has been confronted with negative growth for two consecutive quarters.

Global inflation is expected to increase from 4.7% in 2021 to 8.8% in 2022, but then decline to 6.5% in 2023 and 4.1% in 2024. However, further shocks from energy and food prices could cause inflation to remain high. The tightening of financial conditions could trigger wide-ranging debt problems in the emerging countries, while the termination of gas deliveries from Russia could have a negative influence on production in Europe. Moreover, growth could also be slowed by a new corona wave or global health crisis.

(Source: WEO 2022 10)

3.4 Expected earnings, financial and asset situation

The overall economic outlook remains uncertain and is influenced by a stagnating, in part declining global economy, high inflation, the unfortunately still tragic situation in Ukraine, and the resulting ongoing volatility on energy and raw material markets. We are addressing these many challenges with continuous and intensive analysis, flexible short-term management and fast decisions – and last but not least, our solid financial and industrial base.

Expectations differ for our **Decorative Products Division** with its West, Central, East and Americas regions. We see stabilization at low level in the West and Central regions, where we have a high market share. However, the market pressure on prices remains high and forecasts indicate a further increase in raw material costs, especially for wood. The situation is particularly challenging on the markets in the East region, where demand is expected to remain weak.

Stable development is projected for the Americas region. We are continuing to invest in the expansion of our location in Lexington, NC (US), which will create additional opportunities for volume growth, improvements in the product mix and cost optimization. In Argentina, we are generating sound results at the present time, but the high political and currency-related risks remain and inflation is holding steady at over 80.0%.

For the flooring business, the first half of the 2022/23 financial year was characterized by a difficult operating environment. Price adjustments are difficult to implement in this business, above all in the DIY customer segment, and we currently see no signs of an improvement in demand. We therefore expect a decline for the **Flooring Products Division**, which we plan to counter with further optimization and cost savings.

The second half of our financial year is generally weaker in the **Building Products Division** for seasonal reasons because the demand for construction products declines during the winter months. That applies to both OSB products and the sawmill. The excess capacity on these markets will be reflected in continuing high pressure on prices pressure, but we are expecting an improvement in demand beginning in spring 2023.

The **overseas** business is only affected to a limited extent by the inflation crisis and has potential. The uncertainty factors here include high logistics costs as well as China's restrictive corona policy.

All in all, the second half of the 2022/23 financial year will be influenced by high uncertainty and ongoing challenges, from the market as well as raw materials and energy. Our **earnings expectations** for the entire EGGER Group are therefore **subdued**, but we expect **stable revenue development** in total based on the high, long-term price level.

The progressive internationalization of our Group supports regional as well as product-specific diversification. Our solid financial base forms the foundation for continuous product, process and service innovation and investments in the industrial base. This, in turn, allows us to optimize our cost structure and invest in the sustainability of our plants.

This outlook includes forecasts that are based on current estimates for future developments in the EGGER Group. Uncertainty or risks in the market environment could influence these future developments and lead to variances from the current estimates.

St. Johann in Tirol, December 6, 2022

Thomas Leissing	Frank Bölling	Michael Egger jun.	Hannes Mitterweissacher
Chief Financial Officer (CFO) and Speaker of the Group Management	Chief Supply Chain Officer (CSCO)	Chief Sales Officer (CSO)	Chief Technology Officer (CTO)

Group Management


EGGER

Consolidated Interim Financial Statements as of October 31, 2022

of Egger Holzwerkstoffe GmbH, St. Johann in Tirol

Consolidated Income Statement

	HY 2022/23 TEUR	HY 2021/22 TEUR
Revenues	**2,255,395**	**1,978,109**
Other operating income	23,252	16,130
Increase/decrease in inventories	−1,552	54,519
Own work capitalized	4,365	4,437
Cost of materials	−1,275,336	−996,634
Personnel expenses	−296,044	−270,010
Depreciation and amortization (1)	−201,827	−132,931
Other operating expenses	−356,417	−307,959
Operating profit	**151,835**	**345,660**
Financing costs	−10,106	−7,093
Other financial results	−2,100	−7,721
Income from financial assets	1,848	1,428
Income from associates	1,552	1,348
Profit before tax	**143,029**	**333,623**
Income taxes	−43,566	−82,848
Profit after tax	**99,462**	**250,775**
Thereof attributable to non-controlling interests	5,328	8,312
Thereof attributable to holders of the hybrid bond	3,389	3,606
Thereof attributable to equity holders of the parent company	90,745	238,857

(1) The current reporting period includes impairment losses to property, plant and equipment in the Russian cash generating units as follows: "Plant Gagarin / Segment Flooring Products" totaling 15,374 TEUR and "Plant Gagarin / Segment Decorative Products" totaling 51,351 TEUR.

Consolidated Statement of Comprehensive Income

	HY 2022/23 TEUR	HY 2021/22 TEUR
Revaluation of obligations arising from post-employment benefits for employees	7,032	−1,584
Items that will not be reclassified to profit or loss	**7,032**	**−1,584**
Currency translation adjustments	91,727	43,471
Items that could possibly be reclassified to profit or loss	**91,727**	**43,471**
Profit after tax recognized in other comprehensive income	**98,759**	**41,887**
Profit after tax	99,462	250,775
Total comprehensive income for the period	**198,221**	**292,662**
Thereof attributable to non-controlling interests	5,615	8,289
Thereof attributable to holders of the hybrid bond	3,389	3,606
Thereof attributable to equity holders of the parent company	189,217	280,766

Consolidated Balance Sheet

Assets	31.10.2022 TEUR	30.04.2022 TEUR
Property, plant and equipment	2,237,717	2,147,410
Intangible assets	65,589	65,784
Investment property	441	447
Biological assets	3,223	3,916
Financial assets	22,874	19,643
Investments in associates	38,899	37,346
Other assets	5,513	5,853
Deferred tax assets	98,333	88,165
Non-current assets	**2,472,588**	**2,368,565**
Inventories	696,838	647,021
Trade receivables	162,994	192,556
Other assets	90,066	104,768
Current tax assets	7,744	5,235
Financial assets	4,397	3,932
Cash and cash equivalents	286,299	418,148
Current assets	**1,248,339**	**1,371,661**
Total Assets	**3,720,928**	**3,740,226**

Equity and Liabilities	31.10.2022 TEUR	30.04.2022 TEUR
Share capital and reserves	1,867,975	1,709,478
Hybrid bond	0	145,060
Non-controlling interests	27,793	37,813
Equity	**1,895,769**	**1,892,351**
Financial liabilities	739,999	847,148
Other liabilities	19,050	9,255
Government grants	8,757	8,332
Provisions	135,195	156,653
Deferred tax liabilities	7,071	6,833
Non-current liabilities	**910,072**	**1,028,221**
Bonds	151,243	0
Financial liabilities	107,769	134,417
Trade payables	360,466	397,818
Other liabilities	188,733	175,048
Government grants	1,245	1,280
Liabilities from income taxes	103,941	108,571
Provisions	1,690	2,519
Current liabilities	**915,086**	**819,654**
Total Equity and Liabilities	**3,720,928**	**3,740,226**

Consolidated Cash Flow Statement

	HY 2022/23 TEUR	HY 2021/22 TEUR
Profit before tax	143,029	333,623
Depreciation and amortization	201,827	132,931
Impairment charges to and valuation of financial assets	–1,178	–470
Net interest income / expense	9,753	6,218
Use of government grants	–623	–777
Income/loss from the disposal of fixed assets	–802	119
Income from associates	–1,552	–1,348
Increase/decrease in long-term provisions	–14,714	2,531
Income taxes paid (net)	–55,767	–40,774
Gross cash flow	**279,973**	**432,053**
Increase/decrease in inventories	–28,185	–77,667
Increase/decrease in trade receivables	31,178	–36,219
Increase/decrease in other assets	18,149	–20,705
Increase/decrease in trade payables	–45,362	37,757
Increase/decrease in other liabilities	6,870	16,857
Increase/decrease in current provisions	–728	1,310
Cash flow from changes in net current assets	**–18,078**	**–78,667**
Cash flow from operating activities	**261,895**	**353,386**
Purchase of property, plant and equipment	–212,408	–130,983
Purchase of non-current intangible assets	–855	–186
Purchase of associates	0	–3,448
Purchase of financial assets	–3,586	–787
Proceeds from the disposal of financial assets	1,105	958
Proceeds from the disposal of non-current assets	827	1,348
Cash flow from investing activities	**–214,917**	**–133,098**
Repurchase of hybrid bond	0	–520
Increase in financial liabilities	127,036	5,000
Repayment of financial liabilities / lease liabilities	–255,836	–191,629
Interest paid	–3,914	–4,468
Interest received	235	1,455
Distribution	–44,000	–31,986
Interest paid on hybrid bond	0	–5
Cash flow from financing activities	**–176,479**	**–222,153**
Net change in cash and cash equivalents	**–129,501**	**–1,865**
Effects of exchange rate fluctuations on cash and cash equivalents	–2,348	–2,820
Cash and cash equivalents at the beginning of the financial year	418,148	362,417
Cash and cash equivalents at the end of the reporting period	**286,299**	**357,732**

Statement of Changes in Equity

	Share capital TEUR	Perpetual Bond TEUR	Reserves TEUR	Translation Reserve TEUR	Controlling interests TEUR	Non-controlling interests TEUR	Total TEUR
Balance on 30.04.2021	**11,509**	**145,557**	**1,606,449**	**–463,509**	**1,300,006**	**54,581**	**1,354,587**
Total comprehensive income for the period	0	0	240,902	43,471	284,372	8,289	292,662
Repurchase Hybrid bond	0	–497	–23	0	–520	0	–520
Distribution	0	0	0	0	0	–31,986	–31,986
Interest on hybrid bond	0	0	–5	0	–5	0	–5
Balance on 31.10.2021	**11,509**	**145,060**	**1,847,323**	**–420,038**	**1,583,854**	**30,884**	**1,614,738**
Balance on 30.04.2022	**11,509**	**145,060**	**2,029,584**	**–331,616**	**1,854,538**	**37,813**	**1,892,351**
Total comprehensive income for the period	0	0	100,879	91,727	192,606	5,615	198,221
Change in Hybrid bond	0	–145,060	–1,599	0	–146,659	0	–146,659
Addition / Disposal of non-controlling interests	0	0	0	0	0	224	224
Distribution	0	0	–28,142	0	–28,142	–15,858	–44,000
Interest on hybrid bond	0	0	–4,368	0	–4,368	0	–4,368
Balance on 31.10.2022	**11,509**	**0**	**2,096,355**	**–239,889**	**1,867,975**	**27,793**	**1,895,769**

Selected Explanatory Notes

to the Consolidated Interim Financial Statements as of October 31, 2022

1 Significant Accounting Policies

The consolidated interim financial statements as of October 31, 2022 comprise the individual financial statements of Egger Holzwerkstoffe GmbH and its subsidiaries, which were adjusted and consolidated in accordance with the principles of International Financial Reporting Standards (IFRS), as adopted in the European Union, and prepared in accordance with the rules for interim reporting (IAS 34). The accounting and valuation methods that formed the basis for the consolidated annual financial statements as of April 30, 2022 remain principally unchanged. Additional information on the accounting and valuation methods is provided in the consolidated annual financial statements as of April 30, 2022, which form the basis for this interim report.

This interim financial report was prepared in thousand Euros (rounded). The use of automatic data processing equipment can lead to rounding differences in the addition of rounded amounts and percentage rates.

Initial application of standards and interpretations
The initial application of the new standards, changes to standards and interpretations which were announced by the IASB and are applicable to the 2022/23 financial year had no material effect on the consolidated interim financial statements.

Standards and interpretations announced by not yet applied
The new standards, changes to standards and interpretations issued by the IASB which do not yet require mandatory application were not applied prematurely. They are not expected to have any material effect on the consolidated interim financial statements.

2 Scope and Basis of Consolidation

The consolidated half-year report includes all material domestic and foreign companies controlled by Egger Holzwerkstoffe GmbH.

The scope of consolidation changed as follows in the first half of 2022/23:

Egger CEE Holding GmbH, St. Johann i.T. (AT), a holding company, was founded. EGGER holds 100% of the shares in this company.

Timberpak LLC, Linwood / NC (USA), was founded. EGGER holds 100% of the shares in this company, which will pursue recycling activities in the USA.

3 Notes to the Income Statement and the Statement of Comprehensive Income

Consolidated **revenues** totaled TEUR 2,255,395 (HY 2021/22: TEUR 1,978,109). Operating profit before depreciation and amortization (EBITDA) amounted to TEUR 353,662 (H1 2021/22: TEUR 478,591).

The positive change in the **currency translation adjustment** which was not recognized to profit and loss equaled TEUR 91,727 (HY 2021/22: positive change of TEUR 43,471).

4 Segment Reporting

Segment reporting is based on the management reports which are regularly used by key decision-makers to evaluate the earning power of the individual segments and to allocate resources. In the EGGER Group, group management serves as the key decision-maker.

The individual segments manufacture and sell the following products:

Segments	
Decorative Products	Production and sale of carrier materials made of wood (chipboard, MDF, HDF, compact and lightweight boards) as well as edgings and laminates.
Flooring Products	Production and sale of laminates, comfort and design flooring.
Building Products	Production and sale of OSB and DHF boards as well as sawn timber.

The accounting principles applied by the above segments are the same as the accounting principles applied by the Group, which are described under the section “Significant Accounting Policies”. Assets and liabilities as well as income and expenses were allocated to the individual segments. The provision of goods and services between the individual segments generally reflects third party conditions and is regulated by a Group-wide transfer pricing guideline.

Segment information by area of business First Half-Year 2022/23	Decorative Products TEUR	Flooring Products TEUR	Building Products TEUR	Consoli-dation TEUR	Total TEUR
Third party revenues	1,832,439	198,075	224,881	0	2,255,395
Inter-company revenues	41,449	71,678	31,479	–144,605	0
Total revenues	**1,873,888**	**269,752**	**256,360**	**–144,605**	**2,255,395**
Segment results (operating EBITDA)	302,645	15,407	35,609	0	353,662
Scheduled depr./amort.	116,323	9,184	5,559	0	131,067
Impairment	55,386	15,374	0	0	70,760
Operating profit					**151,835**
Investments	193,838	29,049	6,772	0	229,659

Segment information by area of business First Half-Year 2021/22	Decorative Products TEUR	Flooring Products TEUR	Building Products TEUR	Consoli-dation TEUR	Total TEUR
Third party revenues	1,529,487	196,262	252,359	0	1,978,109
Inter-company revenues	67,146	45,946	21,003	–134,095	0
Total revenues	**1,596,633**	**242,208**	**273,362**	**–134,095**	**1,978,109**
Segment results (operating EBITDA)	344,749	30,282	103,560	0	478,591
Scheduled depr./amort.	111,033	8,817	7,698	0	127,548
Impairment	5,383	0	0	0	5,383
Operating profit					**345,660**
Investments	122,971	12,355	5,733	0	141,060

Economic development and seasonality

The pace of global growth is becoming progressively slower. According to the International Monetary Fund, global GDP grew by only 3.2% in 2022 and will decline to only 2.7% in 2023 – while the Eurozone will practically stagnate at 0.5% in 2023. Global inflation is estimated at 8.8% in 2022, a level not seen in a very long time, and should only decline slightly to 6.5% in 2023. Interest rates will increase significantly. General uncertainty has had a negative impact on consumer confidence and global demand. The future of the world's economy will depend on the monetary steps taken by countries and their national banks, the development of the conflict in Ukraine, and limits on the pandemic-related disruptions of global supply chains.

EGGER is active in areas of business that are subject to seasonal fluctuations. For example, sales in the Building Products Division are normally weaker during the second half-year due to the Christmas and winter breaks in the construction industry. The Christmas break also has a slight negative effect on sales of decorative and flooring products.

5 Notes to the Balance Sheet

Investments in **property, plant and equipment** totaled TEUR 228,804 in the first half of 2022/23 (HY 2021/22: TEUR 140,875). The most important investments during this period were the expansion of the location in St. Johann (AT) to include a further high-bay warehouse and the expansion of the plant in Lexington, NC (US) to add another laminating aggregate and impregnating line. In line with our strategy, we are also investing in recycling equipment (St. Johann i.T. (AT), Lexington, NC (US), Hexham (UK) and Brilon (DE)) and in the modernization of our adhesives plant in Wismar (DE). Expansion and modernization projects are also in progress in Gifhorn (DE), Gebze (TR), Unterradlberg (AT) and Brilon (DE).

The property, plant and equipment and intangible assets (including goodwill) held by Egger Argentina SAU were written off in full during previous financial years. In the first half of 2022/23, further impairment losses of TEUR 4,035 were recorded to additions to property, plant and equipment and intangible assets; these impairment losses are reported under depreciation and amortization.

The three Russian cash-generating units were tested for impairment as of October 31, 2022 because of a further deterioration in the economic forecasts and uncertainty connected with the Russia-Ukraine conflict since April 30, 2022. These tests led to the recognition of impairment losses totaling TEUR 15,374 to property, plant and equipment in the cash-generating unit "Plant Gagarin / Segment Flooring Products" and TEUR 51,351 to property, plant and equipment in the cash-generating unit "Plant Gagarin / Segment Decorative Products". The impairment tests were calculated with a Russian Rubel-based pre-tax discount rate of 32.20% (Flooring Products Segment) and 30.15% (Decorative Products Segment). The impairment losses were justified by the decline in the economic outlook for the Russian economic region and the escalating sanctions connected with the Russia-Ukraine conflict as well as an increase in the discount rate.

Inventories include TEUR 18,771 (April 30, 2022: TEUR 8,605) which are carried at their net realizable value (proceeds on sale less sales deductions and any necessary production and selling expenses).

The **issued capital** of Egger Holzwerkstoffe GmbH totaled TEUR 11,509 and has remained unchanged since April 30, 2022.

Of the total committed credit line, EUR 125 million were drawn during the reporting period for the short-term financing of scheduled liabilities and repaid at the end of the reporting period.

In October 2022, Egger Holzwerkstoffe GmbH announced the call and premature repayment of the **hybrid bond**. Repayment followed on December 12, 2022 at the outstanding nominal amount (100%) of TEUR 146,659 plus accrued outstanding interest. The hybrid bond was therefore reclassified from equity to current liabilities during the reporting period (reported as of October 31, 2022 under the position “Bonds“).

Net debt rose by TEUR 149,295 during the first half of 2022/23 to TEUR 712,712 as of October 31, 2022 (April 30, 2022: TEUR 563,417), primarily due to the reclassification of the hybrid bond.

The following table shows the carrying amounts and fair values of the financial assets and liabilities as well as their valuation categories:

Balance sheet position	Valuation category	Level	Carrying amount TEUR 31.10.2022	Fair value TEUR 31.10.2022	Carrying amount TEUR 30.04.2022	Fair value TEUR 30.04.2022
Financial assets carried at fair value						
Securities	FVTPL	1	681	681	681	681
Other financial assets	FVTPL	3	13,875	13,875	13,635	13,635
Unsold receivables from the factoring portfolio	FVOCI	3	26,924	26,924	40,199	40,199
Interest rate swaps	FVTPL	2	0	0	139	139
Other option	FVTPL	3	230	230	920	920
Green certificates	FVTPL	1	4,146	4,146	4,057	4,057
			45,856	**45,856**	**59,631**	**59,631**
Financial assets not carried at fair value						
Loans	AC		8,570	–	5,481	–
Trade receivables	AC		136,070	–	152,357	–
Other financial assets	AC		27,833	–	30,067	–
Cash and cash equivalents	AC		286,299	–	418,148	–
			458,772		**606,053**	
Financial liabilities carried at fair value						
Residual risk from factoring	FVTPL	3	55	55	58	58
Interest rate swaps	FVTPL	2	20,825	20,825	9,179	9,179
			20,880	**20,880**	**9,237**	**9,237**
Financial liabilities not carried at fair value						
Bonds	AC	2	151,243	151,243	0	0
Amounts owed to credit institutions	AC	2	422,759	421,776	547,448	547,225
Promissory note loans	AC	2	405,136	408,837	415,557	425,395
Lease liabilities	AC	2	19,873	19,873	18,560	18,560
Other financial liabilities	AC		42,822	–	55,323	–
Trade payables	AC		360,466	–	397,818	–
			1,402,299		**1,434,706**	

FVTPL, Fair value through profit or loss
FVOCI, Fair value through other comprehensive income
AC, Amortised cost

"-": The table contains no information, if the carrying amount approximates fair value.

The allocation of the financial assets and liabilities carried at fair value to the three-level fair value hierarchy can be seen in the above table. The levels of the fair value hierarchy and their application to assets and liabilities are described below:

Level 1: Listed market prices for identical assets or liabilities in active markets.
Level 2: Information directly or indirectly derived from market prices for the relevant asset or liability that can be monitored on the market.
Level 3: Data that is not based on observable market information.

The other financial assets are carried at fair value, which is determined on the basis of the underlying earnings forecasts. Measurement therefore represents Level 3 on the valuation hierarchy. Since the fair value generally reflects the carrying amount, no adjustments were made.

The “other option” (Level 3) was valued with a multiple procedure, whereby the multiple was derived from transactions observable on the market. This valuation is compared with the multiple purchase price specified in the option and generally indicates the market value of the option. Therefore, the major non-observable input factors are the estimated development of EBITDA and the derivation of the multiple observed on the market. The fair value declined by TEUR 690 from April 30, 2022 to TEUR 230 as of October 31, 2022; this change was recorded to profit or loss and reported under other financial results.

Additional information on the residual risk from factoring (Level 3) is not provided because the related amounts are immaterial.

There were no reclassifications between hierarchy levels during the reporting period.

There have been no material changes in **uncertain liabilities or contingent liabilities** since April 30, 2022.

6 Notes to the Cash Flow Statement

Profit before tax forms the starting point for the cash flow statement. Taxes paid are reported as a direct deduction under cash flow from operating activities. Interest paid and received is included under cash flow from financing activities.

7 Transactions with Related Parties

The shareholders of Egger Holzwerkstoffe GmbH as of October 31, 2022 are MFE Vermögensverwaltung Privatstiftung, the investment „FM Deutschland“ – Privatstiftung, the investment „FM England“ – Privatstiftung, Fritz Egger, Michael Egger, Dr. Thomas Leissing (through TAL Verwaltungs GmbH) and Walter Schiegl.

A total of TEUR 28,142 was distributed to shareholders in August 2022. Moreover, the investment „FM England“ – Privatstiftung, in its capacity as a minority shareholder of Egger Deutschland Beteiligungsverwaltung GmbH, received a distribution of TEUR 4,128 and MFE Vermögensverwaltung Privatstiftung, as a minority shareholder of Fritz Egger Gesellschaft m.b.H., received a distribution of TEUR 11,730.

Walter Schiegl resigned from the Managing Board as of May 1, 2022. His responsibilities for engineering and production were taken over by Hannes Mitterweissacher. As of May 1, 2022, Frank Bölling was appointed to the Managing Board as the fourth member with responsibility for logistics. Ulrich Bühler resigned from the Managing Board as of July 27, 2022. His successor, Michael Egger jun., has been responsible for sales and marketing since that date.

Michael Egger resigned from the Supervisory Board as of August 27, 2022. He was succeeded in this function by Walter Schiegl.

All other business relations with related persons and companies are immaterial in scope and based on arm’s length conditions. These business relations are disclosed in the consolidated financial statements as of April 30, 2022, and there are no material changes to report in the consolidated interim financial statements as of October 31, 2022.

8 Audit Review

These interim financial statements were reviewed by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Innsbruck.

9 Events after the Balance Sheet Date

No significant events occurred after the balance sheet date on October 31, 2022 which would have led to a different presentation of the asset, financial and earnings position.

St. Johann in Tirol, December 6, 2022

Thomas Leissing	Frank Bölling	Michael Egger jun.	Hannes Mitterweissacher
Chief Financial Officer (CFO) and Speaker of the Group Management	Chief Supply Chain Officer (CSCO)	Chief Sales Officer (CSO)	Chief Technology Officer (CTO)

Group Management

Statement by the Company's Legal Representatives

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

St. Johann in Tirol, December 6, 2022

Thomas Leissing
Chief Financial Officer (CFO) and Speaker of the Group Management

Frank Bölling
Chief Supply Chain Officer (CSCO)

Michael Egger jun.
Chief Sales Officer (CSO)

Hannes Mitterweissacher
Chief Technology Officer (CTO)

Group Management

Auditor's Report

Report on the Review of the condensed Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Egger Holzwerkstoffe GmbH, St. Johann in Tirol, for the period from 1 May to 31 October 2022. These condensed interim consolidated financial statements comprise the consolidated statements of financial position as of 31 October 2022 and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statements of cashflows and the consolidated statement of changes in equity for the period from 1 May to 31 October 2022 and the condensed notes, summarizing the significant accounting policies and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated financial statements in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 "Principles of Engagements to Review Financial Statements", and with the International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity“.
A review of interim financial statements is limited primarily to making inquiries, primarily of Company personnel, responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Austrian Standards on Auditing and/or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the consolidated interim management report for the 6 month period ended 31 October 2022 and on management's statement in accordance with § 125 Austrian Stock Exchange Act (BörseG)

We have read the consolidated interim management report and evaluated whether it does not contain any apparent inconsistencies with the condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The interim financial information contains the statement by management in accordance with § 125 par. 1 subpar. 3 Austrian Stock Exchange Act.

Innsbruck, 7 December 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ulrich Pawlowski
Wirtschaftsprüfer
(Austrian Chartered Accountant)

Note: The condensed interim consolidated financial statements together with our review report may be published or transmitted only as agreed by us. Any version deviating from the one agreed by (e.g. condensed version or translation into another language) are subject to § 281 par. 2 UGB. This report is a translation of the original report in German, which is solvely valid.

Berichterstattung

Bericht über die prüferische Durchsicht des verkürzten konsolidierten Zwischenabschlusses

Einleitung

Wir haben den beigefügten verkürzten konsolidierten Zwischenabschluss der Egger Holzwerkstoffe GmbH, St. Johann in Tirol, für den Zeitraum vom 1. Mai bis zum 31. Oktober 2022 prüferisch durchgesehen. Der verkürzte konsolidierte Zwischenabschluss umfasst die konsolidierte Bilanz zum 31. Oktober 2022 und die konsolidierte Gewinn- und Verlustrechnung, die konsolidierte Gesamtergebnisrechnung, die konsolidierte Cashflow-Rechnung und die Entwicklung des konsolidierten Eigenkapitals für den Zeitraum vom 1. Mai bis zum 31. Oktober 2022 sowie die ausgewählten erläuternden Anhangsangaben, die die wesentlichen angewandten Bilanzierungs- und Bewertungsmethoden zusammenfassen und sonstige Erläuterungen enthalten.

Die gesetzlichen Vertreter der Gesellschaft sind für die Aufstellung dieses verkürzten konsolidierten Zwischenabschlusses in Übereinstimmung mit den International Financial Reporting Standards (IFRSs) für Zwischenberichterstattung, wie sie in der EU anzuwenden sind, verantwortlich.

Unsere Verantwortung ist es, auf Grundlage unserer prüferischen Durchsicht eine zusammenfassende Beurteilung über diesen verkürzten Konzern-Zwischenabschluss abzugeben. Bezüglich unserer Haftung gegenüber der Gesellschaft und gegenüber Dritten kommt § 275 Abs 2 UGB sinngemäß zur Anwendung.

Umfang der prüferischen Durchsicht

Wir haben die prüferische Durchsicht unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und berufsüblichen Grundsätze, insbesondere des Fachgutachtens KFS/PG 11 "Grundsätze für die prüferische Durchsicht von Abschlüssen", des International Standard on Review Engagements (ISRE 2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" durchgeführt. Die prüferische Durchsicht eines Zwischenabschlusses umfasst Befragungen, in erster Linie von für das Finanz- und Rechnungswesen verantwortlichen Personen sowie analytische Beurteilungen und sonstige Erhebungen. Eine prüferische Durchsicht ist von wesentlich geringerem Umfang und umfasst geringere Nachweise als eine Abschlussprüfung gemäß österreichischen und/oder internationalen Prüfungsstandards und ermöglicht es uns daher nicht, eine mit einer Abschlussprüfung vergleichbare Sicherheit darüber zu erlangen, dass uns alle wesentlichen Sachverhalte bekannt werden. Aus diesem Grund erteilen wir keinen Bestätigungsvermerk.

Zusammenfassende Beurteilung

Auf Grundlage unserer prüferischen Durchsicht sind uns keine Sachverhalte bekannt geworden, die uns zu der Annahme veranlassen, dass der beigefügte verkürzte konsolidierte Zwischenabschluss nicht in allen wesentlichen Belangen in Übereinstimmung mit den International Financial Reporting Standards (IFRSs) für Zwischenberichterstattung, wie sie in der EU anzuwenden sind, aufgestellt worden ist.

Stellungnahme zum Halbjahreskonzernlagebericht und zur Erklärung der gesetzlichen Vertreter gemäß § 125 BörseG

Wir haben den Halbjahreskonzernlagebericht gelesen und dahingehend beurteilt, ob er keine offensichtlichen Widersprüche zum verkürzten Konzernzwischenabschluss aufweist. Der Halbjahreskonzernlagebericht enthält nach unserer Beurteilung keine offensichtlichen Widersprüche zum verkürzten Konzernzwischenabschluss.

Der Halbjahresfinanzbericht enthält die in § 125 Abs 1 Z 3 BörseG geforderte Erklärung der gesetzlichen Vertreter.

Innsbruck, 7. Dezember 2022

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Ulrich Pawlowski
Wirtschaftsprüfer

Anmerkung: Die Veröffentlichung oder Weitergabe des verkürzten konsolidierten Zwischenabschlusses mit unserem Bericht über die prüferische Durchsicht darf nur in der von uns bestätigten Fassung erfolgen.

www.egger.com

Egger Holzwerkstoffe GmbH
Weiberndorf 20
6380 St. Johann in Tirol
Austria
T +43 50 600 - 0
F +43 50 600 - 10111
info-sjo@egger.com