

FINANCIAL REPORT

30th JUNE 2022



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At a glance

The financial report of the Einhell Group as at 30 June 2022 meets the requirements under the Securities Trading Act (WpHG) for preparing interim reports. It includes abbreviated Group interim statements, a condensed Group management report and a statement of responsibility by the legal representatives. The financial statements are consistent with the International Financial Reporting Standards (IFRS) and their interpretations, as published by the International Accounting Standards Board (IASB) and applicable in the European Union.

There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.

Financial figures

in EUR million	H1 2022	H1 2021	Change in %
Revenue	563.7	463.4	21.6
EBT	48.2	37.7	27.9
EBIT	50.7	39.1	29.7
Net debt (bank deposits/bank liabilities)	289.2	47.9	503.8

	H1 2022	H1 2021	Change in %
Equity ratio in %	39.4	50.4	-21.8
Earnings per share in EUR	9.0	6.8	32.4
Staff	1,956	1,786	9.5

Condensed Group Management Report of Einhell Germany AG

1 General economic conditions

1.1 D/A/CH

Sentiment in the German national economy has deteriorated in the first half of the year. The Ifo business climate index dropped from 93.0 points in May to 92.3 points in June 2022, and prospects for the second half of the year are also viewed more dimly.

The inflation rate in Germany amounted to 7.6% in June 2022 and thus remained at a very high level despite a slight easing in June 2022. This was mainly due to the sharp increase in energy prices. In the previous month of May 2022, the inflation rate was 7.9%.

According to the Federal Statistical Office, the gross domestic product stagnated in the second quarter of 2022 compared to the previous quarter. While private and public spending supported the development of the GDP, net exports declined. Continued disruptions in the supply chains, rising prices and uncertainty due to the ongoing war between Russia and the Ukraine in particular had a negative impact.

Adjusted for seasonal effects, the unemployment rate rose from 4.9% to 5.2% in June 2022 compared to the previous month of May. This corresponds to a seasonally adjusted increase in the number of unemployed by 133,000 persons and is due to the fact that (employable) Ukrainian refugees have been registered with the job centres since June 2022. Adjusted for this effect, the unemployment trend is stable.

In 2021, DIY and home improvement stores in Germany generated revenue in the amount of EUR 20.33 billion. This was slightly below the prior-year level (-8.2%). Given the uncertainty due to the pandemic and the war in Ukraine, there is still no concrete revenue forecast for 2022.

1.2 Western and Eastern Europe

The gross domestic product (GDP) in the EU rose by 0.6% in the second quarter of 2022 compared to the first quarter, according to Eurostat. In the eurozone, GDP was up 0.7% in the second quarter. Compared to the second quarter of 2021, GDP growth amounted to 4.0% in both the EU and the eurozone.

According to Eurostat estimates, industrial production rose by 0.6% in the EU and by 0.7% in the eurozone in June 2022 compared to the previous month. Compared to June 2021, industrial production increased sharply. As such, growth amounted to 3.2% in the EU and 2.4% in the eurozone.

The situation on the labour market improved significantly compared to the previous year. The unemployment rate in the EU dropped by 7.2% year-on-year to 6.0% in June

2022, while the unemployment rate in the eurozone decreased by 7.9% to 6.6%. Compared to the previous month of May 2022, the unemployment rate remained unchanged in both the EU and the eurozone.

According to Eurostat, the inflation rate in the EU was at 9.6% in June 2022. This indicates another increase in inflation compared to the previous month of May. Again, this is mainly driven by the development of energy prices.

The inflation rate in the eurozone rose to 8.6% year-on-year. Compared to May 2022, prices increased by 0.5% in June 2022.

The harmonised index of consumer prices (HICP) for Germany, which is calculated for European purposes, amounted to 8.2% in June 2022. In the previous month of May, it had still stood at 8.7%.

1.3 Overseas

Growth of the Australian economy continues. The war in Ukraine does not have a big impact here. As Australia is a major exporter of commodities and agricultural products, the economy benefits from higher prices.

2 Performance report

2.1 Einhell Group revenue

From January to June 2022, the Einhell Group generated revenue of EUR 563.7 million (previous year: EUR 463.4 million). The increase in revenue in the first half of 2022 thus amounted to EUR 100.3 million compared to the previous year. This corresponds to an increase of 21.6%.

Top-line growth was mainly driven by an increase in market share as well as strong demand for Power X-Change products. As at 30 June 2022, the share of Power X-Change products sold in total Group revenue stands at 43%. Revenue growth in the Power X-Change products segment in the first half of the year amounted to 41.5% compared to the previous year.

In the **D/A/CH** region (Germany, Austria, Switzerland), revenue increased significantly to EUR 244.5 million (previous year: EUR 203.5 million). Top-line growth thus amounted to 20.1% compared to the previous year.

The increase in revenue is mainly driven by higher market shares in both the Tools and Garden segments. This is all the more remarkable as the development of the overall DIY market was rather flat in the first half of the year.

The positive revenue trend of Einhell is driven by continuing high demand for the Power X-Change battery products. In both Germany and Austria, Power X-Change products accounted for more than 50% of total revenue in the first half of 2022.

In **Western Europe**, revenue of EUR 107.0 million (previous year: EUR 88.8 million) has increased substantially over the previous year. The largest sales markets in the region include France, Italy and the UK.

The subsidiaries in the Western Europe region recorded significant revenue growth of 20.5% in the first half of 2022. This is also driven by increasing demand for our Power X-Change products in Western Europe. In the UK, the share of these tools already exceeds 50%.

Earnings in the Western Europe region declined in the first half of 2022. Costs at our subsidiary in the UK went up significantly, mainly due to high marketing expenses and storage costs. The subsidiaries in Italy and Spain are struggling with a difficult market environment that is weighing on the margin development.

Revenue in **Eastern Europe** increased by EUR 5.8 million to EUR 50.5 million (previous year: EUR 44.7 million). The strongest companies in this region in terms of revenue were our subsidiaries in Turkey, Croatia and Poland.

Our distribution companies in the Eastern Europe region managed to increase their revenues. Earnings in the region declined due to high write-downs on inventories in Ukraine following the destruction of the warehouse.

In the **Overseas** region, revenue increased by 29.2% from EUR 96.5 million to EUR 124.7 million. The Einhell subsidiary with the highest revenue in this region is the Australian company Ozito Industries.

Performance of the subsidiaries in the **Overseas** region was uneven in financial year 2022. While Ozito was able to achieve significant growth in both revenue and earnings, the South American subsidiaries had to deal with difficult markets. The newly acquired Canadian subsidiary made a very positive contribution to the revenue and earnings development in the Overseas region.

In the **Other Countries** including Asia, revenue also increased compared to the prior-year period to EUR 37.0 million (previous year: EUR 29.9 million).

The Other Countries region, and here the Asian subsidiaries in particular, managed to increase their revenue figures compared to the prior-year period. This is attributable to more orders from direct customers who have increased their order volumes again.

2.2 Earnings development

From January to June 2022, the Einhell Group generated profit before income taxes of EUR 48.2 million (previous year: EUR 37.7 million). The pre-tax margin is 8.5% (previous year: 8.1%).

Consolidated net income after minority interest amounted to EUR 34.0 million in the period under review (previous year: EUR 25.6 million). Earnings per share amounted to EUR 9.0 per share (previous year EUR 6.8 per share) and were thus significantly higher than in the previous year.

Personnel expenses increased year-on-year due to the higher number of employees and amounted to EUR 57.8 million (previous year: EUR 50.1 million).

Depreciation and amortisation increased by EUR 1.6 million in financial year 2022, from EUR 5.3 million to EUR 6.9 million.

Other expenses also increased significantly year-on-year from EUR 72.2 million to EUR 84.8 million. The increase was mainly due to higher revenues. Among other revenue-related costs, logistics expenses increased significantly. Marketing expenses also increased in the first half of 2022 compared to the previous year. The share in revenue that was expended on marketing measures amounted to 3.9% in the Einhell Group (previous year: 4.0%).

The financial result of EUR -2.6 million (previous year EUR -1.4 million) is significantly below the prior-year level. It includes financial income of EUR 7.5 million (previous year EUR 2.0 million) and financial costs of EUR 10.1 million (previous year EUR 3.4 million). Financial costs also include the high refinancing costs in some high-interest countries and the cost of currency hedging. Increases in the interest rates for various currencies also had a negative impact here.

3 Personnel and HR services

On 30 June 2022, the Einhell Group had 1,956 employees worldwide (previous year: 1,786).

4 Financial performance and net assets

The material items in the consolidated statement of financial position as at 30 June 2022 and 30 June 2021 are as follows:

in EUR million	06/2022	06/2021
Non-current assets incl. deferred tax assets	168.1	105.5
Inventories	476.9	214.3
Trade receivables	214.4	177.1
Cash and cash equivalents	7.5	11.5
Equity	381.9	282.1
Liabilities to banks	296.7	59.3

5 Investments

In the period under review, the Einhell Group's investments without King Canada amounted to EUR 2.6 million (previous year: EUR 8.5 million). The majority of this was spent on operating and office equipment and advance payments on intangible assets. As in previous years, investments in product development are shown under Other operating expenses and Personnel expenses in the consolidated statement of income.

6 Current assets and liabilities

Goods inventories increased significantly as against the prior-year period to EUR 476.9 million (previous year: EUR 214.3 million). As Einhell strives to uphold its reputation as one of the most capable and reliable supplier in the sector, the Board of Directors decided to increase inventories, which led to an increase in the inventory level as at 30 June 2022.

Trade receivables are stated net of allowances for bad debts. Mainly driven by revenue growth, trade receivables climbed by EUR 37.3 million to EUR 214.4 million in the period under review (previous year: EUR 177.1 million).

Derivative financial assets have increased substantially over the previous year to EUR 86.2 million (previous year: EUR 26.8 million) as the derivatives for currency hedging show much higher fair values.

At EUR 44.9 million, other non-financial assets were above the previous year's level (previous year: EUR 28.9 million). The largest item here is VAT receivables, which increased by EUR 8.0 million across the Group compared to the previous year.

Cash and cash equivalents amount to EUR 7.5 million (previous year: EUR 11.5 million).

Compared to the prior-year period, liabilities to banks increased from EUR 59.3 million to EUR 296.7 million due to significantly higher stocking levels and the increase in trade receivables.

7 Group structure

Effective on 1 March 2022, Einhell Germany AG acquired 66.67% of shares in the Canadian company Outillages King Canada, Inc., headquartered in Montreal/Quebec. King Canada is a well-established distributor of electronic tools, industrial equipment and other equipment in the Canadian market.

The purchase price allocation has not yet been fully completed as at the reporting date, which is why the consolidation in the Group is based on preliminary figures. The subsidiary was first consolidated from 31 March 2022.

Purchase price and the amount of goodwill realised at the time of acquisition are as follows:

in CAD million (preliminary figures)	01.03.2022
Total amount of the transferred consideration	25.6
Goodwill acquired	5.9
in EUR million (preliminary figures)	
Total amount of the transferred consideration	18.1
Goodwill acquired	4.2

The amount of goodwill in EUR changed as at the reporting date due to currency effects. It represents the value of the workforce and the following expected synergy effects, which the Einhell Group considered in the purchase price:

- an already established penetration of the Canadian market to be used and
- an established distribution base for Einhell products.

Einhell Germany AG and the seller have agreed on a put option for the remaining shares. This option contains an obligation for both contracting parties that, if certain criteria are met, Einhell Germany AG can take over the remaining shares from 2027 or the seller can tender the shares to Einhell Germany AG. The amount of the obligation depends on the future EBIT performance. The Company recognised a purchase price liability of EUR 7.9 million for 33.33% of the shares at the time of acquisition.

The put liability was recognised in accordance with the present access method, according to which the company is still recognised as non-controlling interest, while the payment obligation and any changes thereof are recognised directly in retained earnings without any impact on profit or loss. The present ownership of the interest remains with the minority shareholder.

The most important items included in the consolidated financial statements as at the time of acquisition are as follows:

in EUR million (preliminary figures)	01.03.2022
Customer base and trademark rights	12.9
Goodwill	4.2
Right-of-use assets acc. to IFRS 16	2.2
Inventories before depreciation	13.4
Depreciation of inventories	0.5
Advance payments made on goods	2.7
Trade receivables before impairment	7.4
Impairment on trade receivables	0.3
Non-controlling interest	7.0
Liabilities from debt capital	4.2
Income tax liabilities	1.9
Lease liabilities	2.2
Trade payables	4.9
Other liabilities	2.4

Compared to the quarterly report as at 31 March 2022, certain items have been reclassified.

Non-controlling interests are not measured at fair value.

In the report for the first six months of 2022, the following items were included in the consolidated income statement:

in EUR million (preliminary figures)	01.03.2022 - 30.06.2022
Revenue	14.7
EBT	1.7

If the subsidiary Outillages King Canada, Inc. had already been included in the consolidated financial statements since 1 January 2022, the revenue for the company in the period 1 January to 30 June 2022 would amount to EUR 22.6 million and the EBT to EUR 1.8 million. The revenue is allocated to the Overseas region.

8 Investor relations

On 3 May 2022, Einhell Germany AG participated in the Capital Market Conference in Munich in order to talk to analysts and investors.

9 Financing

The financial requirements of the Einhell Group are driven in particular by the level of inventories and trade receivables. Stock turnover rates of inventories and the maturities of trade receivables play a major role here and have a significant impact on the financial requirements.

The strategy to increase inventories in order to guarantee the availability of goods can be financed with the existing credit lines.

In the shorter term, the Group also has access to sufficient credit facilities to finance further revenue growth.

10 Note to the financial report

The financial report was subjected to neither a review pursuant to Section 317 of the German Commercial Code (HGB) nor an audit.

11 Corporate Governance Code

The current Declaration of the Board of Directors and the Supervisory Board of Einhell Germany AG on the German Corporate Governance Code pursuant to section 161 of the German Stock Corporation Act (AktG) is permanently available on the Company's website at www.einhell.com.

12 Risk report

As part of its international operations, Einhell is exposed to a variety of risks that are inherent in all entrepreneurial activities.

The risk management process in the Einhell Group is split into two stages. The first stage is the decentralised recognition of risks in subsidiaries and the various departments of Einhell Germany AG by the risk officers appointed by the Board of Directors who identify risks and quantify their impact on the Group.

The internal control system comprises the two components integrated process controls and internal control systems.

The domestic controlling, investment controlling, finance, Group accounting and legal departments constitute the internal management system of the Einhell Group.

The Einhell Group companies make a forecast in the relevant financial year to budget the following financial year. Based on differentiated revenue planning, the corresponding cost of goods sold and other costs are budgeted. These projected figures are collated for the Group into a budgetary statement of income.

The actual figures from the individual companies are processed on a monthly basis. As a result, a complete consolidated statement of income is devised that compares the budgeted and actual figures and allows for their analysis. The development of order intake, margins etc. is also reported for all companies on a monthly basis.

The comparison is discussed with the members of the Board of Directors and with the managers of the separate divisions and companies. The analysis of the budgeted and actual figures permits relevant measures to be developed and implemented.

The internal monitoring system comprises measures that are integrated into the processes as well as measures that are independent of the processes.

In addition to automated IT process controls, manual controls also form an important part of integrated process measures which are, for example, also carried out by the internal audit department. The Supervisory Board, the Group auditors and other audit bodies are involved in carrying out process-independent controls within the Einhell Group.

The audit of the consolidated financial statements by the Group auditors is the main process-independent control measure with respect to Group accounting processes.

Given its international business model, the Einhell Group is exposed to market risks resulting from changes in interest and foreign exchange rates. The Group uses derivative financial instruments to manage these risks. The guidelines used for managing the associated risks are implemented with the approval of the Board of Directors by a central treasury department working in close cooperation with the Group companies.

The Board of Directors does not currently see any risks that could endanger the future of the Group as a going concern.

13 Forecast

13.1 D/A/CH

Expected development in %	2022	2021
GDP Germany	2.2	2.7

The German federal government expects an increase in gross domestic product (price-adjusted) of 2.2% in 2022. Thus, the economy will show a weaker performance in 2022 than in 2021. This slowdown is owed mainly to the war in Ukraine driving up energy prices and the associated sanctions by the Western world against Russia.

13.2 Western and Eastern Europe

According to the EU Commission, the European economy will slow down compared to the previous year. Given the ongoing COVID-19 crisis and the war in Ukraine, it is hard to estimate future growth. The commission forecasts economic growth of 2,7% for the 27 EU member states as a whole and 2.6% for the eurozone. The inflation rate is expected to reach 8.3%, which corresponds to a 1.5% increase since the last forecast for 2022.

According to the EU Commission, Portugal can hope for the strongest economic growth with nearly 6.5% in 2022. Furthermore, Slovenia is also expected to experience an upswing with 5.4% growth. However, all estimates for 2022 imply lower growth figures than in 2021.

13.3 Overseas

The Australian economy is expected to grow by 4.2% in 2022. According to the OECD, however, the high inflation

and rising interest rates will have a negative impact on the growth rate in the years to come.

The following economic growth rates are expected in the countries in the Overseas region, in which the Einhell Group is active:

GDP in %	2022	2021
Argentina	4,0	10,4
Australia	3,8	4,8
Colombia	5,8	10,6
Chile	1,5	11,7
Canada	3,4	4,5
Uruguay	3,9	4,4

13.4 Outlook and strategy

The development of the Group depends on many factors. The situation on the commodities markets remains challenging. The prices for various raw materials are volatile, rising or falling depending on the type of commodity. Freight prices are similar. The Chinese government is still pursuing its zero COVID strategy including extremely strict measures that might lead to the closure of ports or individual port terminals.

Like other competitors in our industry, Einhell Group continues to keep high inventory levels. Thanks to our well-filled warehouses, we are among the most reliable suppliers in the industry and were able to generate revenue growth of EUR 100.3 million year-on-year in the first six months of 2022.

The development of the Einhell Group is also, among other factors, determined by general market and economic trends as well as the developments in the regions that are hit by crises and on the foreign exchange markets.

The increase in interest rates, volatility on the foreign exchange markets and the extremely high inflation rates in many of the countries that are relevant to Einhell could negatively influence consumer spending. In addition to effective foreign exchange hedges, we rely on an attractive product range.

Our Power X-Change product series that offers our end customers a huge range of products that can all be operated with the same battery is a guaranteed success in nearly all of our sales markets. By the end of the current financial year, we intend to raise the number of compatible devices to approx. 250. The aim for the end of 2025 is to have approx. 350 compatible devices.

The final impact of the Russia-Ukraine war on the business performance in these two countries cannot yet be conclusively quantified. Above all, we expect foreign currency risks that, within the Group, would mainly affect the currency translation item. The share of the two

companies in total Group revenue amounted to approx. 1% in the first six months of 2022.

In order to further optimise EINHELL brand awareness, we will increase our marketing efforts in the current financial year. A particularly important measure in this context is our cooperation with FC Bayern München. The TV campaigns featuring Oliver Kahn and our E-Team were already broadcast in 13 countries in the spring of 2022 and will be broadcast again this autumn.

Effective on 1 March 2022, we acquired the majority share in the Canadian company Outillages King Canada, Inc., thereby tapping into the highly promising Canadian market. Currently, we are negotiating with further interesting take-over candidates in other regions with DIY potential.

Based on the successful first six months of 2022, the Board of Directors confirms its forecasts for the current financial year. Revenue is expected to reach approx. EUR 1,050 million and the pre-tax margin approx. 8.5 - 9.0% in 2022.

13.5 Forward-looking statements, assumptions, uncertainties and assessment methods

The Board of Directors' assumptions and forecasts are based on the information currently available. These always bear an element of uncertainty and are based on estimates and assumptions made in order to arrive at a budget statement. The Einhell Group hereby advises that the forward-looking assumptions and estimates may in retrospect turn out to be incorrect.

Landau a. d. Isar, 24 August 2022

Einhell Germany AG

The Board of Directors

Andreas Kroiss

Jan Teichert

Dr Markus Thannhuber

Dr Christoph Urban

Consolidated statement of financial position (IFRS) as at 30 June 2022

Assets (in EURk)	30.06.2022	30.06.2021
Intangible assets	37,944	20,608
Property, plant and equipment	56,274	51,124
Right-of-use assets	19,081	12,464
Non-derivative financial assets	917	781
Derivative financial assets	31,673	4,990
Other non-financial assets	2,480	1,264
Deferred tax assets	19,759	14,248
Non-current assets	168,128	105,479
Inventories	476,915	214,322
Trade receivables	214,385	177,056
Non-derivative financial assets	2,599	868
Derivative financial assets	54,488	21,812
Income tax receivables	2,958	761
Other non-financial assets	42,413	27,587
Contract assets	652	442
Cash and cash equivalents	7,481	11,470
Current assets	801,891	454,318
	970,019	559,797

Equity and liabilities (in EURk)	30.06.2022	30.06.2021
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	290,328	241,944
Other reserves	44,398	632
Equity of shareholders of Einhell Germany AG	371,065	278,915
Non-controlling interest	10,825	3,204
Equity	381,890	282,119
Provisions for other risks	731	1,311
Liabilities from debt capital	89,844	17,976
Deferred tax liabilities	29,977	9,545
Employee benefits	9,100	7,916
Lease liabilities	13,716	8,252
Non-derivative financial liabilities	10,948	1,651
Other non-financial liabilities	307	313
Non-current liabilities	154,623	46,964
Trade payables	90,979	75,713
Income tax liabilities	9,949	8,046
Provisions for other risks	44,800	50,596
Liabilities from debt capital	206,843	41,363
Employee benefits	17,966	13,600
Lease liabilities	5,720	4,318
Derivative financial liabilities	2,010	1,268
Non-derivative financial liabilities	36,159	18,607
Other non-financial liabilities	18,296	16,638
Contract liabilities	784	565
Current liabilities	433,506	230,714
	970,019	559,797

Consolidated income statement (IFRS) for the period from 1 January to 30 June 2022

(in EURk)	30.06.2022	30.06.2021
Revenue	563,681	463,418
Own work capitalised	70	140
Other operating income	5,545	2,514
Cost of materials	-369,074	-299,408
Personnel expenses	-57,779	-50,067
Depreciation and amortisation	-6,873	-5,274
Other operating expenses	-84,844	-72,215
Financial income	7,473	2,006
Financial costs	-10,047	-3,430
Financial result	-2,574	-1,424
Profit before income taxes	48,152	37,684
Income taxes	-13,368	-11,111
Consolidated net profit	34,784	26,573
Thereof share of minority shareholders in consolidated net profit/loss	808	986
Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss	33,976	25,587

Consolidated statement of cash flows (IFRS) for the period from 1 January to 30 June 2022

in EURk	30.06.2022	30.06.2021
Cash flows from/used in operating activities		
Profit before income taxes	48,152	37,684
+ Depreciation and amortisation of intangible assets and property, plant and equipment	6,873	5,274
- Interest income	-81	-97
+ Interest expenses	2,188	648
+/- Other non-cash expenses and income	-1,997	508
Operating profit before changes in net working capital	55,135	44,017
+/- Decrease/increase in trade receivables	-69,997	-58,051
+/- Decrease/increase in inventories	-3,795	-18,783
+/- Decrease/increase in other assets	3,140	1,715
+/- Increase/decrease in non-current liabilities	1,021	452
+/- Increase/decrease in current liabilities	4,662	24,294
+/- Increase/decrease in trade payables	-53,921	-23,127
Cash flows generated from operating activities	-63,755	-29,483
- Taxes paid	-13,488	-9,133
+ Interest received	76	98
- Interest paid	-1,699	-366
Net cash used in operating activities	-78,866	-38,884
Cash flows from/used in investing activities		
- Payments to acquire assets	-2,589	-8,482
- Payments for acquisition of consolidated companies	-17,980	0
+ Proceeds from disposal of assets	25	77
Net cash used in investing activities	-20,544	-8,405
Cash flows from/used in financing activities		
+ Proceeds from taking out loans	108,399	38,529
- Payments for repayment of loans	-1,563	-1,563
- Payments for acquisition of equity investments	-13	0
+ Proceeds from non-controlling interest	0	25
- Dividend payments to shareholders of Einhell Germany AG	-9,688	-8,178
- Dividend payments to non-controlling interests	-214	-274
- Payments for redemption portion of lease liabilities	-2,601	-2,553
Net cash from financing activities	94,320	25,986
Changes to cash and cash equivalents due to currency exchange	1,058	686
Net decrease in cash and cash equivalents	-4,032	-20,617
Cash and cash equivalents at beginning of reporting period	11,513	32,087
Cash and cash equivalents at end of reporting period	7,481	11,470

Consolidated statement of changes in equity (IFRS) for the period from 1 January to 30 June 2022

				Other reserves				Equity of shareholders of Einhell Germany AG	Share of non-controlling interests	Total equity
	Subscribed capital	Capital reserve	Retained earnings	Currency translation reserve	Reserve for financial instruments measured at fair value through other comprehensive income	Remeasurement reserve pursuant to IAS 19	Derivative financial instruments			
	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk	EURk
1 January 2021	9.662	26.677	224.398	-16.214	27	-2.214	579	242.915	2.431	245.346
Consolidated net profit	-	-	25.587	-	-	-	-	25.587	986	26.573
Unrealised gains/losses	-	-	-	1.723	-	-	16.730	18.453	36	18.489
Dividends	-	-	-8.178	-	-	-	-	-8.178	-274	-8.451
Other changes	-	-	138	-	-	-	-	138	25	163
30 June 2021	9.662	26.677	241.944	-14.491	27	-2.214	17.310	278.915	3.204	282.119
Consolidated net profit	-	-	33.039	-	-	-	-	33.039	542	33.581
Unrealised gains/losses	-	-	-	589	-3	445	24.938	25.969	-41	25.928
Dividends	-	-	-	-	-	-	-	-	-317	-317
Other changes	-	-	-365	-	-	-	-	-365	25	-340
31 December 2021	9.662	26.677	274.619	-13.902	24	-1.769	42.247	337.559	3.413	340.972
Consolidated net profit	-	-	33.976	-	-	-	-	33.976	808	34.784
Unrealised gains/losses	-	-	-	6.259	-	-	11.539	17.797	196	17.993
Dividends	-	-	-9.688	-	-	-	-	-9.688	-544	-10.232
Other changes	-	-	-8.579	-	-	-	-	-8.579	6.952	-1.627
30 June 2022	9.662	26.677	290.328	-7.643	24	-1.769	53.786	371.065	10.825	381.890

Selected IFRS consolidated notes of Einhell Germany AG, Landau/Isar, for the period from 1 January to 30 June 2022

1 Principles and methods used in preparing the consolidated financial statements

1.1 Basis of consolidation

The consolidated financial statements comprise Einhell Germany AG and the companies it controls. IAS 27 defines control as the power to govern the financial and operating policies so as to obtain benefits from a company's activities. If the Group holds more than 50% of the voting rights of a company, either directly or indirectly, it is deemed to control such company, unless such assumption is refuted. Companies that are acquired or sold during the course of a financial year are included in the consolidated financial statements as from the date of acquisition until the date of sale.

Effective on 1 March 2022, Einhell Germany AG acquired 66.67% of shares in the Canadian company Outillages King Canada, Inc., headquartered in Montreal/Quebec. King Canada is a well-established distributor of electronic tools, industrial equipment and other equipment in the Canadian market. Detailed information on the acquisition is shown in the condensed management report under section 7 Group structure.

1.2 Accounting and valuation principles

The report as at 30 June 2022 applies the same accounting and valuation principles as were used in the annual financial statements 2021. The IFRS standards that have become mandatory as from 1 January 2022 are applied accordingly by the Einhell Group.

Since 1 April 2022, Turkey has been meeting the criteria for a cumulative inflation rate over three years of more than 100% as per IAS 29. Given the immateriality of the effect on the consolidated financial statements as at 30 June 2022, the Group did not introduce financial reporting in hyperinflationary economies for the Turkish company.

2 Notes to the consolidated statement of financial position

2.1 Non-current assets

Intangible assets and property, plant and equipment are valued at acquisition or manufacturing cost. Intangible assets amount to EUR 37.9 million as at 30 June 2022, while property, plant and equipment amount to EUR 56.3 million and are recognised in the consolidated statement of financial position less accumulated depreciation.

4 Segment reporting

Scheduled depreciation and amortisation amounted to EUR 6.9 million as at 30 June 2022.

2.2 Inventories

Inventories are valued at the lower of acquisition or manufacturing cost or net realisable value. Impairments amounted to EUR 6.8 million in total (previous year: EUR 1.8 million).

in EUR million	June 2022	June 2021
Raw materials and supplies (at acquisition cost)	1.8	1.1
Finished goods	471.4	212.7
Advance payments	3.7	0.5
Total	476.9	214.3

2.3 Cash and cash equivalents

Cash and cash equivalents include bank balances, cheques and cash in hand.

2.4 Dividend

A resolution was passed to pay a dividend of EUR 9,687,776.00 for financial year 2021. The distribution amount corresponds to a dividend of EUR 2.60 per preference share (previous year: EUR 2.20) and EUR 2.54 per ordinary share (previous year: EUR 2.14). The dividend was paid out in June 2022.

2.5 Provisions

Provisions total EUR 45.5 million. This includes non-current provisions of EUR 0.7 million.

Provisions refer in particular to provisions for warranty.

2.6 Liabilities

Upon addition, liabilities are valued at fair value of the consideration received; subsequent measurement is performed at amortised cost. Liabilities in foreign currencies are recognised at the reporting date rate or hedging rate as at the reporting date.

3 Notes to the consolidated statement of income

Other operating expenses

Other operating expenses amount to EUR 84.8 million as at 30 June 2022. This pertains primarily to expenses for logistics, customer service and marketing.

The identification of reportable operating segments pursuant to IFRS 8 is based on the so-called management approach concept. The division of the Einhell Group into regions reflects the Group's internal management and reporting structures. The regions are: "D/A/CH region", "Western Europe", "Eastern Europe", "Overseas" and "Other countries".

Income and expenses that cannot be directly allocated to the individual regions and consolidation effects are shown in the reconciliation item.

Juni 2022 in TEUR	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Recon- ciliation	Group
Revenue by invoicing party	244.504	107.011	50.460	124.675	37.031	0	563.681
Revenue by invoice recipient	256.137	114.679	55.634	132.251	4.980	0	563.681
EBT	24.775	4.243	5.257	10.836	7.106	-4.065	48.152
Financial result	1.043	-1.298	-1.236	-1.651	-428	996	-2.574
Interest income	3.848	0	47	148	177	-4.139	81
Interest expenses	-1.257	-1.299	-1.795	-1.304	-741	4.208	-2.188
Depreciation and amortisation	2.800	760	459	1.564	1.290	0	6.873
Non-current assets excl. deferred tax assets	85.679	6.400	9.089	37.474	9.727	0	148.369
Inventories	184.692	107.891	67.002	111.919	24.986	-19.575	476.915
Depreciation of inventories	2.323	965	2.042	283	0	1.196	6.809

June 2021 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Recon- ciliation	Group
Revenue by invoicing party	203.478	88.774	44.749	96.527	29.890	0	463.418
Revenue by invoice recipient	206.098	99.086	47.808	105.460	4.966	0	463.418
EBT	20.881	7.487	6.672	10.128	3.685	-11.169	37.684
Financial result	399	-332	-463	-461	-448	-119	-1.424
Interest income	1.687	0	42	51	65	-1.748	97
Interest expenses	-338	-333	-581	-348	-778	1.730	-648
Depreciation and amortisation	2.028	787	523	859	1.077	0	5.274
Non-current assets excl. deferred tax assets	53.972	7.509	10.419	10.994	8.337	0	91.231
Inventories	94.588	40.914	27.303	56.803	8.607	-13.893	214.322
Depreciation of inventories	853	199	289	392	105	0	1.838

5 Other notes

Related party disclosures

Thannhuber AG is the controlling shareholder of Einhell Germany AG. Philipp Thannhuber and Dr Markus Thannhuber (shareholders of Thannhuber AG) received remuneration for their activities as executive bodies of Einhell Germany AG in financial year 2022.

The value of transactions and balances outstanding in connection with Thannhuber AG and its related parties break down as follows:

In EURk	Value of transactions		Outstanding balances as at 30 June	
	06/2022	06/2021	2022	2021
Consulting (*)	0	0	0	0

(*) The Group used consulting services provided by Josef Thannhuber, Chairman of the Supervisory Board of Thannhuber AG, for project planning and implementation of construction and property projects. The fee invoiced for these services corresponded to normal market rates. The invoice amounts were due in line with normal payment terms.

Einhell Germany AG and its subsidiaries did not carry out any legal transactions with Thannhuber AG and its related parties during financial year 2022 that would have been to the disadvantage of Einhell Germany AG or its subsidiaries. Nor did Thannhuber AG take or fail to take any measures that would have negatively affected Einhell Germany AG or its subsidiaries.

6 Statement of responsibility

To the best of our knowledge, we assure that the interim consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group and that the interim Group management report accurately reflects the actual development and performance of the business and the position of the Group and describes the principal risks and opportunities associated with the Group's expected development in the remaining months of the financial year.

Landau a. d. Isar, 24 August 2022

Einhell Germany AG
The Board of Directors

Andreas Kroiss
Jan Teichert
Dr Markus Thannhuber
Dr Christoph Urban

Financial calendar 2022

Quarterly notification as of 30 September 2022

Mid-November 2022

Deutsches Eigenkapitalforum / Frankfurt am Main

November 2022

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Disclaimer

This quarterly notification contains forward-looking statements. Forward-looking statements are based on specific assumptions and expectations at the time this notification is published. They are therefore subject to risks and uncertainties and actual results may differ considerably from such forward-looking statements. Various risks and uncertainties are determined by factors that do not lie in the Einhell Group's sphere of influence and can therefore not be estimated with certainty at present. This includes, without limitation, future market conditions and the economic trends as well as legal and political decisions.

Unless otherwise stipulated, all amounts are stated in thousands of euros (EURk). There may be minor deviations in this report and in other reports due to rounding of totals and the calculation of percentage figures.



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