



MANAGEMENT REPORT

221**Economic Environment and
Capital Markets**

- 221 Economic environment in 2022
- 221 Monetary policy
- 222 Stock markets
- 222 The European housing market
- 222 The European infrastructure market
- 223 The US housing market
- 223 Macroeconomic outlook for 2023

224**Financial Review**

- 224 Earnings
- 225 Financial Result and Taxes
- 226 Assets and Financial Position
- 228 Treasury
- 229 Cashflow
- 230 Investments

231**Value Management****232****Fourth Quarter of 2022**

- 232 Wienerberger
Building Solutions Q4 2022
- 233 Wienerberger
Piping Solutions Q4 2022
- 233 North America Q4 2022

234**Operating Segments**

- 234 Wienerberger Building Solutions
- 236 Wienerberger Piping Solutions
- 238 North America

240**Outlook 2023****242****Additional Information
about the Company**

- 242 Research and Development
- 244 Wienerberger Share and
Shareholders
- 248 Risk Management and
the Internal Control System



Economic Environment and Capital Markets

Economic environment in 2022

2022 was a year marked by geopolitical instability. After years of great uncertainty caused by the Covid pandemic, the war in Ukraine strongly affected the world economy from February onward. Bottlenecks along the supply chains and fast-rising price levels, above all due to significant energy price increases, resulted in significantly increased inflation rates. Central banks all over the world reacted with notable interest rate hikes, thus making access to financing more difficult. This resulted in a decline in business and consumer confidence. In this environment, once again marked by high volatility, global economic growth slowed down from 6.2% in the previous year to 3.4% in 2022, according to estimates by the International Monetary Fund (IMF).

In Europe and North America, the core regions of the Wienerberger Group, economic growth weakened noticeably in 2022. The slowdown of GDP growth first occurred in the USA, where the turnaround in interest-rate policy was initiated earlier than in Europe. For the year as a whole, the IMF expects the US economy to grow at a rate of 2.0% (2021: 5.9%). The euro area, where monetary tightening began at a later point in time, grew at a relatively higher rate of 3.5%, compared to 5.3% in the previous year. In the two largest economies of the euro area, Germany and France, economic growth was below the euro area average at 1.9% (2021: 2.6%) and 2.6% (2021: 6.8%) respectively. Economic output in Great Britain grew at a rate of 4.1% in 2022, after 7.6% in 2021. According to Euroconstruct statistics, the Eastern European economies, which also rank among the core markets of the Wienerberger Group, recorded 3.6% growth in 2022 (2021: 5.3%).

Monetary policy

In 2022, in view of significantly increased inflation rates, central banks departed from their policy of monetary easing pursued in previous years. According to the IMF, global inflation rose to 8.8% in 2022, with inflation in the euro area at times even exceeding 10% year on year, in particular due to the steep rise in energy prices as a consequence of the conflict between Russia and Ukraine. In the USA, a sustained supply overhang also led to a significant increase in cost inflation, which remained, however, below the levels seen globally and in Europe. The US Federal Reserve System (Fed) initiated the turnaround in interest-rate policy in March 2022 and increased the federal funds rate in a total of seven steps from the original corridor of 0.0% to 0.25% to a range of 4.25% to 4.50%. Moreover, the Fed ended its asset purchase program in March 2022. In July 2022, the European Central Bank (ECB) raised its key interest rate for the first time since 2016. This was followed by another three interest-rate steps, which brought the key interest rate to a year-end level of 2.50%. The deposit rate, which was still negative in 2021, came to 2.00% at the end of 2022. As of the end of March 2022, the ECB discontinued its Pandemic Emergency Purchase Programme (PEPP). The Bank of England (BoE), having increased its base rate at the end of 2021, followed with a total of eight interest-rate steps in the course of the year leading up to a year-end base rate of 3.50%. Central banks in Eastern and South-Eastern Europe reacted most strongly to rising consumer prices, with interest rate hikes of between 6.75% (Romania and Poland) and 13.00% (Hungary) as of December 2022.



Stock markets

The 2022 stock exchange year was characterized by consistently high volatility in the international stock markets, which was reflected in substantial year-on-year price drops. Faced with significantly increased inflation rates, central banks in the USA and Europe accelerated the policy turnaround and substantially increased their key interest rates. While the high price level in Europe was driven, above all, by the steep rise in energy prices, a demand overhang was seen in the USA. Growing geopolitical tensions and the ongoing conflict between Russia and Ukraine added to the uncertainty prevailing in the markets and contributed to the withdrawal of primarily US-based investors from the European market. In this environment, relevant lead indices closed the past stock exchange-year with notable losses.

At the end of December 2022, the Dow Jones Industrial Average closed the year at -8.8% below the 2021 year-end value, while the S&P 500 suffered an even greater loss, closing at -19.4%. Given the steep rise in interest rates, technology stocks came under growing pressure, which was reflected in the NASDAQ 100 losing as much as -33.0% of its value year on year. In Europe, stock market performance was overshadowed by the outbreak of the conflict between Russia and Ukraine and its implications for the economy. The EURO STOXX 50, the European lead index, closed the year at -11.7%, a development similar to that of the French CAC 40, which lost -9.5% in value over the same period. The British FTSE performed well toward the end of the year, closing at the previous year's level with a slight price gain of +0.9%. The German DAX, the lead index of the biggest European economy, underperformed the 2021 year-end value by -12.3%. The Austrian ATX, with its heavily weighted bank and energy stocks, closed the year at -19.0% year on year.

The European housing market

The following analysis is based on the most recent data published by Euroconstruct, Europe's leading construction market forecasting network. The most important indicators of residential construction activities are the numbers of building permits issued, housing starts, and housing completions. To enhance the validity of the forecasts for Wienerberger AG, we have based our analysis on weighted growth rates. To this end, Euroconstruct's growth projections for the individual countries were weighted by the respective shares of revenues attributable to the Wienerberger Building Solutions Business Unit.

Given the steep increase in key interest rates as well as mortgage rates, housing loans became more expensive, which in turn made home ownership less affordable. This effect is reflected in the reduction of weighted building permits for single- and two-family homes, which declined by 6.3% in 2022, after strong growth in the previous year. Our experience shows that the time between the issue of a building permit and the actual start of construction is becoming longer and longer, which progressively diminishes the relevance of this indicator. The number of new housing starts remained stable at +0.5% compared to the previous year. The lagging indicator of housing completions increased by 2.8% in 2022.

Within the residential construction sector, renovation activity is continuously gaining in importance for Wienerberger's performance. Driven by EU and national initiatives and stricter regulations aimed at enhancing energy efficiency and supporting the attainment of climate-related targets, this segment grew by 2.9% in our core regions compared to the previous year.

The European infrastructure market

In 2022, as in the previous year, government support programs constituted an important element in the development of the European infrastructure market. An analysis based on Euroconstruct as the industry benchmark shows the following revenue-weighted growth forecast for the Wienerberger Piping Solutions Business Unit, broken down by core regions: According to this forecast, weighted infrastructure expenditure in the relevant countries of Western and Northern Europe increased by 1.7%. In Eastern Europe, capital expenditure on infrastructure increased by 0.8% compared to the previous year. Overall, the weighted growth of total infrastructure spending in all European markets relevant to the Wienerberger Group amounted to 1.5%.

An analysis of the individual sub-segments shows a slowdown of growth compared to the previous year, but total investments in infrastructure expenditure across all fields of activity continued to increase.

In the field of water management, which accounts for roughly 10% of infrastructure expenditure and comprises potable water supply and wastewater disposal systems, an important market for our pipe business, expenditure increased slightly by 0.5% according to



the weighted forecast. In 2022, investments in the energy sector increased by 2.5%. Investments in transport infrastructure grew by 1.3% compared to the previous year, while the telecommunication sector saw a 2.2% increase in capital expenditure. Road construction, the most important segment accounting for 34% of total infrastructure spending, remained almost stable at +0.1%.

The US housing market

In 2022, the development of the housing market in the USA was similar to that in Europe, although the slowdown set in earlier and was more pronounced on account of the earlier turnaround in interest rate policy in the USA. According to the U.S. Census Bureau, the number of building permits issued, which had increased strongly in 2021, decreased by 5.0% in 2022. Building permits for single-family homes dropped by 12.9% from the previous year's level, whereas those for multi-family buildings rose by 9.9% over the same period. The number of housing starts declined by 3.0% to 1.553 million. A 10.6% reduction in the single-family segment contrasted sharply with a 14.5% increase in the construction of new multi-family buildings. Housing completions, a lagging indicator, increased by 3.8% to 1.392 million units, with a 5.4% increase in single-family homes and a slight drop by 0.9% year on year in the multi-family building segment. For 2022, the National Association of Home builders (NAHB), one of the biggest entities representing the interests of principals, developers, and building contractors in the USA, foresees a 3.0% reduction in the number of housing starts in the USA to 1.553 million units. While a 10.6% reduction was reported for the single-family home segment, the multi-family building segment was shown to grow at a rate of 15.0%.

The NAHB/Wells Fargo Housing Market Index, which is based on monthly surveys among NAHB members, reflects the general assessment of market conditions and estimates of house sales for the next six months. A value below 50 indicates that the majority of those surveyed see the outlook as negative. With a value of 31 in December 2022, the index was significantly below the previous year's score of 84, reflecting the increasingly gloomy macroeconomic development. The S&P/Case Shiller 20-City Composite Home Price Index reflects the development of the value of residential real estate in 20 large urban agglomerations in the USA. After a rise of 18.6% in the previous year, the upward trend of the index slowed down to +4.7% in the reporting year. The fixed interest rate on 30-year mortgage loans was 6.36% at the end of the year. Compared to the previous year's value, this corresponds to an increase of 327 basis points, reflecting the Fed's multiple interest rate hikes in 2022.

Macroeconomic outlook for 2023

After the slowdown in growth momentum to +3.4% in 2022, the IMF forecasts a further reduction in global economic growth to +2.9%. Except for the global economic crisis and the acute phases of the COVID-19 pandemic, this is the lowest rate of growth recorded since 2001. In its forecast, the IMF anticipates significantly lower growth in the most important economies, with economic output in the USA increasing by 1.4% and only 0.7% growth projected for the euro area. For the United Kingdom, economic output is forecast to shrink by 0.6% in 2023. The Eastern European economies are expected to grow at a rate of 1.3% (Euroconstruct). The IMF's assumptions are based on a global inflation rate of 6.6% in 2023. Geopolitical uncertainty, primarily due to the ongoing conflict between Russia and Ukraine, as well as increasingly strict financing conditions resulting from a policy of monetary tightening, will dampen economic growth in the medium term. In February 2023, the US Federal Reserve increased the federal funds rate by another 0.25% to a new corridor of 4.50% to 4.75% - the eighth rate hike in a single year. Other central banks, above all the European Central Bank and the Bank of England, also indicated the possibility of further interest rate increases in response to persistently high inflation rates.



Financial Review

Earnings

In 2022, the Wienerberger Group delivered strong organic growth in revenues, EBITDA, and free cash flow:

- › 25% increase in revenues to € 4,976.7 million (2021: € 3,971.3 million)
- › 48% rise in EBITDA to € 1,026.2 million (2021: € 694.3 million)
- › Free cash flow up by 42% to € 597.7 million (2021: € 420.6 million)

These results were achieved due to the outstanding performance of all employees and is attributable in particular to the sustainable purchasing strategy for energy and raw materials. As a consequence, the Wienerberger Group continued producing in the very unstable market environment of 2022. This led to the generation of an extraordinarily high contribution to earnings, which should not be regarded as sustainable.

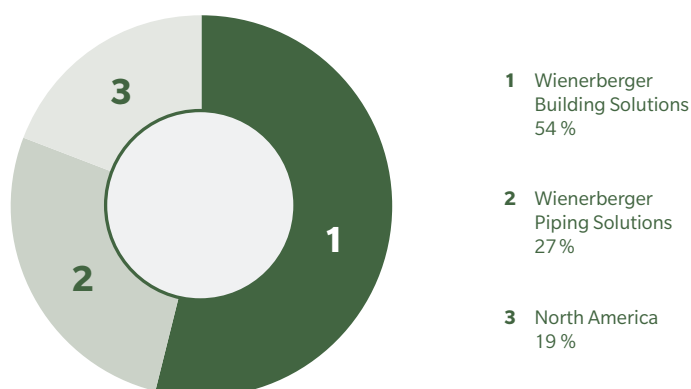
This one-time overachievement can be broken down as follows:

- › Due to our forward-looking purchasing policy for energy and raw materials, we were able to supply our European customers without interruptions, which resulted in short-term market share gains
- › Thanks to high capacity utilization, we achieved very favorable production costs
- › Our North American management generated a significant earnings contribution through its excellent purchasing policy for plastic granulates

Wienerberger's steady focus on repositioning the Group as a provider of innovative system solutions, combined with excellent cost management, substantially boosted profitability despite declining markets.

Revenues of the Wienerberger Group in the 2022 business year include consolidation effects amounting to € 401.5 million. Foreign-exchange effects accounted for a € 20.3 million increase over the previous year's revenues, with the negative effects of the devaluation of the Turkish lira, the Hungarian forint, and the Polish zloty being more than offset by the appreciation of the US dollar and the Czech crown.

External Revenues by Segment



In the reporting year, Wienerberger Group's EBITDA increased by 48% to € 1,026.2 million (2021: € 694.3 million). This includes contributions from consolidation amounting to € 76.7 million and positive foreign currency effects of € 14.5 million. Operating EBITDA rose by 47% to € 1,020.9 million (2021: € 693.9 million). € 19.4 million in income from the sale of non-core assets and structural adjustment costs of € -14.1 million were not included in the calculation of operating EBITDA.



The companies acquired in 2021 (in particular Meridian Brick in North America and FloPlast / Cork Plastics in Great Britain and Ireland) contributed € 99.8 million to EBITDA. Given this substantial contribution of acquired companies, EBITDA LFL will no longer be reported as a key performance indicator as of 2022 and operating EBITDA, alongside revenues and EBITDA reported, will be the most important key performance indicator for the management of the Wienerberger Group.

EBITDA in MEUR	2022	2021	Chg. in %
Wienerberger Building Solutions	662.0	477.6	+39
Wienerberger Piping Solutions	134.1	127.5	+5
North America	230.1	89.1	>100
Wienerberger Group	1,026.2	694.3	+48

EBITDA Bridge in MEUR	2022	2021	Chg. in %
EBITDA	1,026.2	694.3	+48
Result from the sale of non-core assets	-19.4	-14.2	-37
Structural adjustments	14.1	13.8	+2
Operating EBITDA	1,020.9	693.9	+47

Owing to the substantial additions to non-current assets from the acquisitions in 2021, scheduled depreciation and amortization on tangible and intangible non-current assets increased by 10% to € 276.3 million (2021: € 251.2 million). Impairment charges to assets and special write-downs of assets in the amount of € 28.8 million (2021: € 22.6 million) were reported. No impairment charges to goodwill were recognized in 2022 (2021: € 10.7 million).

As a result, earnings before interest and tax (EBIT) increased to € 721.2 million in the reporting year, exceeding the previous year's figure of € 420.4 million.

Profitability Ratios in %	2022	2021
Gross profit to revenues	39.1	36.2
Administrative expenses to revenues	6.6	6.9
Costs of sales to revenues	17.3	17.8
EBITDA margin	20.6	17.5
Operating EBIT margin	14.9	10.9

Financial Result and Taxes

The financial result improved from € -46.2 million in 2021 to € -32.8 million in the reporting year. The higher interest expenses resulting largely from the increase of relevant key interest rates in the second half were significantly overcompensated by higher income from associates and substantial foreign-exchange gains.

The Group's profit before tax improved significantly from € 374.3 million in the previous year to € 688.3 million in 2022.

On account of the substantial profit generated in 2022, the Group's tax expense increased to € 119.8 million (2021: € 62.2 million); at 17.4%, the effective tax rate was slightly higher than in the previous year (16.6%).



As a result, profit after tax again rose steeply from the previous year's amount of € 312.1 million to € 568.5 million in 2022, surpassing the previous record from 2021 by a substantial margin.

After the deduction of € 0.6 million in income attributable to non-controlling interests (2021: € 0.2 million), the net profit amounted to € 567.9 million. Earnings per share came to € 5.17 (2021: € 2.75).

Assets and Financial Position

As at 31/12/2022, the total assets of the Group amounted to € 5,199.3 million, corresponding to a 6% increase over the previous year's value of € 4,903.8 million. Non-current assets increased by 5% to € 3,115.7 million (2021: € 2,973.5 million), primarily as a result of additions from acquisitions and higher investments (maintenance and special capex: € 352.6 million; 2021: € 279.8 million). In total, the Group's non-current assets increased by 4% to € 3,259.1 million (2021: € 3,131.8 million).

Inventories increased significantly in both quantity (+2%) and value (+15%) by a total of 17%, from € 883.3 million in 2021 to € 1,036.2 million in the reporting year. To ensure continuous supply capability, a higher inventory level will be targeted in some countries going forward. Trade receivables rose as a result of both inflation and higher sales volume to € 374.5 million in the reporting year (2021: € 343.4 million). At the same time, the days outstanding of receivables balances were reduced.

The steep 81% increase in securities and other financial assets to € 72.9 million (2021: € 40.3 million) largely resulted from advantageous hedging positions on variable interest rates.

Compared to the previous year, cash and cash equivalents declined by 18% to € 300.0 million (2021: € 364.3 million). The high gross cash flow was counteracted by cash outflows for investments, redemption of financial liabilities, and buyback of own shares.

Working capital (inventories + net trade receivables – trade payables) increased by 26% to € 789.6 million (2021: € 624.9 million). The ratio of working capital to revenues was virtually unchanged at 15.9% and remained well below the Group's internal target of 20%.

Given the high profit after tax of € 568.5 million, the Group's equity improved by 14% over the previous year's level. At the same time, dividends of € 83.9 million were paid out and a total of € 213.4 million was spent on the buyback of own shares, of which shares in the value of € 91.1 million were cancelled. Other comprehensive income, including significant effects from currency conversion in the amount of € -14.4 million, positive changes of € 29.9 million in the valuation of the hedging reserve, and actuarial gains of € 8.7 million, contributed € 24.1 million to the Group's equity.

Non-current employee-related provisions, particularly pension provisions, declined by 26% to € 73.9 million (2021: € 100.2 million) as a result of major changes in valuation parameters as well as payments made. The Wienerberger Group generally avoids entering into any new defined-benefit pension commitments and is converting existing commitments into defined-contribution commitments wherever possible. As a result, pension provisions carried on the balance sheet show a steady downward trend, as commitments are either expiring or paid out. Other long-term provisions, mainly for warranties and recultivation of depleted clay pits, did not change significantly compared to the previous year and came to € 103.3 million (2021: € 98.7 million).

Current provisions totalled € 60.8 million (2021: € 44.6 million). In particular, short-term employee-related provisions increased over the previous year on account of performance-related bonus agreements.

Continuing the previous year's trend, interest-bearing debt (financial liabilities) decreased by € 86.9 million to € 1,452.2 million (2021: € 1,539.1 million). This is primarily attributable to the fact that repayments exceeded the amount of new debt raised. Interest-bearing financial liabilities include interest-bearing liabilities to banks, bond debts, and other third parties liabilities in the amount of € 1,198.4 million (2021: € 1,285.1 million), derivatives to hedge foreign-currency risks with negative market values of € 6.2 million (2021: € 8.7 million), and lease liabilities of € 247.6 million (2021: € 245.3 million). These interest-bearing liabilities were offset by cash and cash equivalents, securities and Group receivables totalling € 372.9 million (2021: € 404.6 million), as well as committed but undrawn credit lines of € 400.0 million. Of the total interest-bearing debt of € 1,204.6 million, 87% (2021: 88%) was long term and 13% (2021: 12%) short term.

**Calculation of Net Debt**

in MEUR

	2022	2021	Chg. in %
Long-term interest-bearing financial liabilities	1,052.9	1,133.2	-7
Short-term interest-bearing financial liabilities	151.6	160.7	-6
Lease liabilities	247.6	245.3	+1
- Intercompany receivables and payables from financing	-21.1	-21.4	-1
- Securities and other financial assets	-51.8	-18.9	+174
- Cash and cash equivalents	-300.0	-364.3	+18
Net debt	1,079.3	1,134.5	-5

As at 31/12/2022, the Group's net debt came to € 1,079.3 million, down 5% from the previous year (2021: € 1,134.5 million). This leads to a gearing ratio of 44%, which is below the previous year's value of 53%.

Balance Sheet Ratios

		2022	2021
Capital employed	in MEUR	3,492.9	3,248.1
Net debt	in MEUR	1,079.3	1,134.5
Equity ratio	in %	47.1	43.8
Gearing	in %	44.0	52.8
Asset coverage	in %	76.8	70.4
Working capital to revenues	in %	15.9	15.7



Treasury

In 2022, given the Group's strong performance combined with the relatively low maturities of its gross debt, there was no need for capital market issuance or significant volumes of new bank financing.

The acquisition projects totalling € 52.4 million as well as the share buyback program worth € 213.4 million were financed from current cash inflows. At the end of the business year, a solid liquidity reserve of € 700.0 million was available (comprising cash and cash equivalents of € 300.0 million and committed but undrawn credit lines of € 400.0 million).

In the 2022 business year, the Group's (negative) net interest result came to € -42.3 million, up € 4.3 million from the previous year's € -38.0 million due to an increase in interest rates.

The financial indicators relevant for bank loans taken out by the company and for its rating continued to improve in 2022 and further increased the headroom relative to the external limits set by the bank covenants. The debt repayment period (ratio of net debt to EBITDA) of 1.1 years is below that of the previous year (1.6).

The Group thus substantially outperformed its internal target of keeping the debt repayment period below 2.5 years at year end. The relevant indicators taken into account by Moody's Rating Agency have exceeded the technical thresholds for a rating upgrade, and the rating agency already changed the outlook for Wienerberger from Ba1 stable to positive in May 2022.

Treasury Ratios	31/12/2022	31/12/2021
Net debt/EBITDA	1.1	1.6
EBITDA/interest result	24.3	18.3

As at the balance sheet date, 76% (2021: 73%) of the Group's financial liabilities were fixed-interest-bearing, though this does not include financial liabilities recognized according to IFRS 16 Leases. Owing to the local character of Wienerberger's business, foreign exchange fluctuations are reflected primarily as translation risks and to a lesser extent as transaction risks. Subject to economic restrictions, translation risks (primarily from inter-group loans in foreign currencies) are selectively hedged against exchange-rate fluctuations by means of interest-rate and cross-currency swaps. Most of the Group's transaction risks are hedged through currency forwards.



Cashflow

Owing to the increase in net profit and despite the build-up of working capital, cash flow from operating activities increased to € 723.8 million (2021: € 510.6 million). The main driver of the rise in working capital was the increase in inventories, with value rising more strongly than volume.

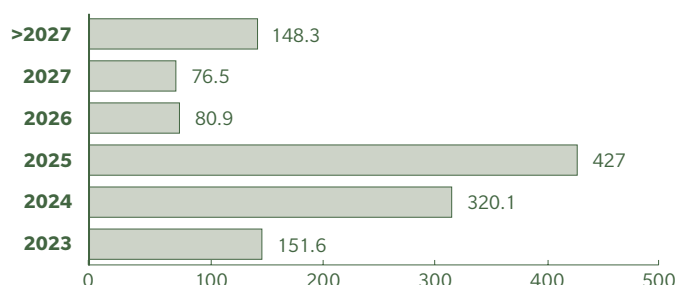
In the reporting year, cash flow from investing activities was primarily influenced by cash outflows for maintenance capex of € 134.7 million and for special capex of € 217.9 million. A total of € 52.4 million was spent on acquisitions (2021: € 467.1 million), resulting in a reduced cash outflow for investing activities of € -332.8 million, down from € -666.7 million in 2021.

In 2022, owing to its excellent operational performance, the Wienerberger Group generated a total free cash flow of € 597.7 million. This corresponds to a 42% increase over the previous year's figure of € 420.6 million. This strong free cash flow resulted in an attractive cash conversion ratio of 87%.

Cash flow from financing activities came to € -448.8 million (2021: € -147.6 million), primarily resulting from cash outflows due to net changes in short-term financial liabilities in the amount of € -103.3 million, dividend payments of € -83.9 million, and € -213.4 million for the buyback of own shares.

The total change in cash and cash equivalents of € -57.8 million (2021: € -303.8 million) resulted from a slight surplus of cash outflows from investing and financing activities versus the high cash inflow from operating activities.

Maturity structure of interest-bearing financial liabilities (excl. leases) in MEUR



Cash Flow Statement

in MEUR

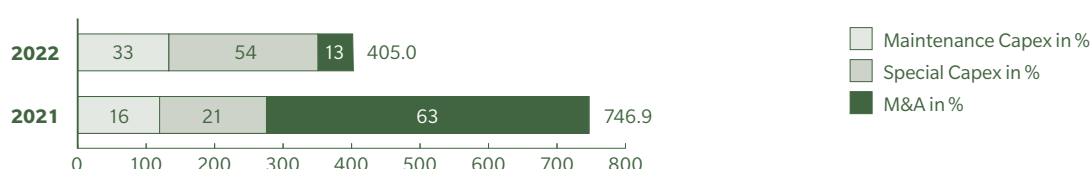
	2022	2021	Chg. in %
Gross cash flow	878.4	566.0	+55
Change in working capital and other	-154.6	-55.5	<-100
Cash flow from operating activities	723.8	510.6	+42
Maintenance capex	-134.7	-120.4	-12
Special capex	-217.9	-159.4	-37
M&A	-52.4	-467.1	+89
Divestments and other	72.2	80.2	-10
Cash flow from investing activities	-332.8	-666.7	+50
Special capex and M&A	270.3	626.5	-57
Lease payments	-63.6	-49.8	-28
Free cash flow	597.7	420.6	+42



Investments

Maintenance investments required to maintain ongoing business operations accounted for € 134.7 million in fiscal 2022 (2021: € 120.4 million), despite strong acquisition activities. Discretionary growth investments (e.g. plant expansions and optimization measures aimed at enhanced production efficiency) and investments in ESG totalling € 217.9 million (2021: € 159.4 million) were also made (e.g. environmental and sustainability projects such as decarbonization, biodiversity or circular economy).

Total investments and M&A in MEUR



A total of € 52.4 million (2021: € 467.1 million) was spent on corporate acquisitions. In the Wienerberger Building Solutions business unit, the integration of a prefabrication plant from Walzer Bausysteme GmbH in Austria increased the systems solutions approach and deepened competence in the area of prefabrication. The acquisition of Mayr Dachkeramik GmbH, a German company specializing in roofing accessories, further expanded our commitment to renovation. In the Wienerberger Piping Solutions business unit, the Wienerberger Group continued its growth course in the area of in-house solutions with the acquisition of Vargon, the leading solution provider for pipe systems in Croatia. With the acquisition of the Norwegian water management specialist QPS, the product portfolio was also expanded to include intelligent system solutions for water management.

A breakdown of total investments in non-current tangible and intangible assets by business unit shows that 59% was attributable to Wienerberger Building Solutions, 27% to Wienerberger Piping Solutions, and 14% to North America.

Development of Non-current Assets in MEUR

	Intangible	Tangible	Financial	Total
31/12/2021	857.4	2,160.1	35.5	3,053.0
Capital expenditure	26.3	326.2	1.8	354.3
Change in the scope of consolidation	25.5	27.9	0.0	53.4
Depreciation, amortization, and impairment charges	-44.8	-260.2	-2.8	-307.8
Disposals	-4.0	-23.5	-1.5	-29.0
Currency translation and other	-13.6	76.4	3.8	66.5
31/12/2022	846.8	2,306.8	36.8	3,190.4

Total Investments in MEUR

	2022	2021	Chg. in %
Wienerberger Building Solutions	206.7	176.1	+17
Wienerberger Piping Solutions	94.7	81.3	+17
North America	51.2	22.4	>100
Wienerberger Group	352.6	279.8	+26

As a result of the Russia-Ukraine conflict, the Wienerberger Group announced the sale of its Russian brick business in the form of a management buyout. In addition, the French plastic pipe activities were sold after they no longer met the strict criteria for future growth.



Value Management

Wienerberger's value management focuses not only on long-term, sustainable creation of shareholder value, but also on ESG aspects with a special focus on the well-being of our employees, whose contributions are essential for the company's long-term success.

The key indicator of Wienerberger's value-oriented corporate governance is the return on capital employed (ROCE after tax). This indicator measures the after-tax return on capital currently employed in the company and reflects the value creation by the individual business units and by the Group as a whole. It is calculated by relating the net operating profit after tax (NOPAT) to the average interest-bearing total capital employed. Wienerberger's medium-term target is to sustainably exceed a ROCE of 10%. In addition to ROCE, other important performance indicators, such as EBITDA, free cash flow, efficiency-enhancing measures, total shareholder return, and the attainment of certain environmental, social, and governance (ESG) targets, are regularly analyzed as part of the company's value management. They are taken into account in the calculation of top management bonuses.

In 2022, we significantly outperformed our medium-term ROCE target. Wienerberger generated a strong operating EBIT of € 739.6 million (2021: € 431.2 million), which corresponds to a 72% increase over the previous year. As a result, NOPAT increased from € 356.4 million in 2021 to € 609.9 million in the reporting year. Over the same period, average capital employed increased from € 2,921.1 million to € 3,370.5 million. Overall, the Wienerberger Group's ROCE came to 18.1% (2021: 12.2%).

Calculation of Operating EBIT and NOPAT		2022	2021
EBIT	in MEUR	721.2	420.4
Impairments/ Reversal of impairment charges to assets	in MEUR	18.4	0.0
Impairment charges to goodwill	in MEUR	0.0	10.7
Operating EBIT	in MEUR	739.6	431.2
Income taxes	in MEUR	-119.8	-62.2
Adjusted taxes	in MEUR	-9.9	-12.6
NOPAT	in MEUR	609.9	356.4

Calculation of Average Capital Employed		2022	2021
Equity and non-controlling interests	in MEUR	2,450.4	2,149.1
Financial liabilities	in MEUR	1,452.2	1,539.1
Intercompany receivables and payables from financing	in MEUR	-21.1	-21.4
Cash and financial assets	in MEUR	-388.6	-418.7
Capital employed at reporting date	in MEUR	3,492.9	3,248.1
Average capital employed	in MEUR	3,370.5	2,921.1

Calculation of ROCE		2022	2021
NOPAT	in MEUR	609.9	356.4
Average capital employed	in MEUR	3,370.5	2,921.1
ROCE	in %	18.1	12.2



Fourth Quarter of 2022

Faced with a declining market environment, Wienerberger nevertheless succeeded in generating a very good fourth-quarter result:

- External revenues increased by 5% to € 1,128.4 million in the reporting period (2021: € 1,073.7 million)
- Operating EBITDA rose by 10% to € 201.3 million (2021: € 182.3 million)

External revenues in MEUR	10-12/2022	10-12/2021	Chg. in %
Wienerberger Building Solutions	645.0	581.6	+11
Wienerberger Piping Solutions	275.8	285.4	-3
North America	207.6	206.7	+0
Wienerberger Group	1,128.4	1,073.7	+5

Operating EBITDA in MEUR	10-12/2022	10-12/2021	Chg. in %
Wienerberger Building Solutions	140.0	116.5	+20
Wienerberger Piping Solutions	18.0	21.2	-15
North America	43.3	44.5	-3
Wienerberger Group	201.3	182.3	+10

During the last three months of 2022, further increases in key interest rates and persistently high inflation rates, with regional variations, had an increasing impact on market developments in both Europe and North America. In particular, the downturn in newbuild activity intensified during the last quarter of the reporting year. Nevertheless, demand for our durable solutions for energy-efficient buildings, especially in renovation, remained high. In our business with infrastructure solutions, we saw trends from stable to slightly downward.

Wienerberger Building Solutions

Although market activity was slowing down in the fourth quarter of 2022, the Wienerberger Building Solutions Business Unit, which provides system solutions for the entire building envelope, succeeded in increasing its external revenues to € 645.0 million, up by 11% from the previous year (2021: € 581.6 million). Over the same period, operating EBITDA rose by a highly satisfactory 20% to € 140.0 million (2021: € 116.5 million).

The response of central banks to persistently high inflation rates in Europe with further increases in key interest rates was reflected in an accelerated decline in building permits. As a result, the downward trend in demand observed since the summer, especially in new residential construction, intensified in the fourth quarter of 2022, though with regional variations. The slowdown of newbuild activities was more pronounced in Eastern Europe than in Western Europe. Nevertheless, driven by continued lively activity in the renovation sector, we recorded a good overall level of demand for our innovative, durable wall and roof solutions for energy-efficient and sustainable building construction. We used the decline in sales volumes to gradually build up our inventories, which were partly at a very low level. Overall, earnings once again surpassed the good prior-year result, regardless of the notable slowdown in new building construction. This shows that Wienerberger has become significantly more diversified and resilient to market developments. Our long-term forward-buying policy for gas and electricity also had a positive impact, as it kept our energy costs at a relatively low level even in times of strong price fluctuations and significant market price increases. We thus reaffirmed our position as a reliable partner for our customers. In December 2022, Wienerberger announced its intention to take over significant parts of the Terreal Group, a successful European supplier of innovative roof and solar solutions, thus taking the next ideal step in its value-creating growth strategy. The size of the transaction would expand our footprint in France and Germany, especially in the renovation and repair segment. The transaction is to be closed in the course of 2023 and remains subject to the approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this nature.



Wienerberger Piping Solutions

The Wienerberger Piping Solutions Business Unit provides system solutions in the fields of wastewater and rainwater disposal, sanitary engineering, heating, and cooling technology, as well as energy, gas, and potable water supply. The downturn in sales in the third quarter continued in the final quarter of the reporting period. Compared to the previous year, external revenues decreased slightly by 3% to € 275.8 million (2021: € 285.4 million). Operating EBITDA declined by 15% to € 18.0 million (2021: € 21.2 million).

The last quarter of the year was marked by persistently high inflation rates and further increases in key interest rates in many of Wienerberger's core markets. The downward market trend seen in prior months continued and we recorded - compared to a good final quarter of 2021 - lower sales volumes. Raw material prices for plastic polymers trended downward but remained at a high level. Notable cost increases were seen, in particular, in personnel and logistics. However, through our consistent margin management we compensated the impact of rising input costs in the fourth quarter.

In Eastern Europe, we observed a continuing decline in the number of new housing starts as a result of further increases in key interest rates. We also recorded declining sales of our in-house solutions. Additionally, the European Union halted the disbursement of billions of euros in subsidies to Hungary and Poland, which led to a notable decline in infrastructure projects in these markets. Not so in Northern Europe, where demand for our infrastructure solutions remained at a stable and satisfactory level. In Western Europe and Ireland, fourth-quarter sales volumes in the in-house and infrastructure segments went down, while demand for system solutions for the water-management and energy sectors remained strong. Despite a general downturn in activity, the British renovation market delivered a solid contribution to earnings. With the acquisition of QPS, the Norwegian water-management specialist in November 2022, we continued our value-accretive growth course in the field of innovative system solutions.

North America

The North America Business Unit mainly provides ceramic facade solutions and plastic pipe solutions for wastewater and rainwater disposal and drinking water supply. During the last three months of 2022, external revenues of € 207.6 million (2021: € 206.7 million) were generated. Over the same period, operating EBITDA decreased slightly by 3% to € 43.3 million (2021: € 44.5 million). Despite declining newbuild markets, the highly satisfactory progress achieved in the integration of Meridian Brick acquired in October 2021 and the resultant synergy effects contributed significantly to this development in terms of both costs and sales. The excellent performance of the plastic pipe business, irrespective of a certain trend toward normalization, played a major role in this satisfactory development.

In North America, too, reactions at central bank level to persistently high inflation rates led to further increases in mortgage lending rates, which in turn intensified the downward trend in the number of building permits. The situation was aggravated by harsh weather conditions in individual regions. As a result, sales volumes declined in our core regions in the USA and Canada in the last three months of 2022. In the US plastic pipe business, we observed falling raw material costs and a beginning normalization of earnings. Overall, however, the results achieved were excellent.



Operating Segments

Wienerberger Building Solutions

In 2022, operating in an increasingly challenging market environment, the Wienerberger Buildings Solutions Business Unit surpassed the previous year's excellent results:

- › External revenues increased by 17% to € 2,684.9 million (2021: € 2,300.5 million)
- › Operating EBITDA of € 654.5 million up by 37% from € 476.1 million in 2021
- › Declining newbuild markets in the second half of the year primarily due to high interest rates hikes
- › Stable market environment in the renovation segment, supported by incentive programs for energy-efficient renovation of buildings

Wienerberger Building Solution		2022	2021	Chg. in %
External Revenues	in MEUR	2,684.9	2,300.5	+17
Operating EBITDA	in MEUR	654.5	476.1	+37
EBITDA	in MEUR	662.0	477.6	+39
EBIT	in MEUR	475.2	313.3	+52
Total investments	in MEUR	206.7	176.1	+17
Capital employed	in MEUR	1,972.7	1,787.9	+10
Ø Employees	in FTE	12,734	12,427	+2

Operating under increasingly challenging economic conditions, the Wienerberger Building Solutions Business Unit again delivered a very strong result in 2022. External revenues increased by 17% to € 2,684.9 million (2021: € 2,300.5 million). Over the same period, operating EBITDA rose steeply by 37% to € 654.5 million (2021: € 476.1 million). An operating EBITDA margin of 24.4% (2021: 20.7%) was achieved.

As regards the business unit's performance in its end markets, we recently saw diverging developments. While demand was high across all markets in the first half of 2022, sales volumes in the newbuild segment began to decline in the summer months with considerable variations from region to region. Central banks reacted to the persistently high inflation rates in Europe by significantly increasing their key interest rates. As a result, mortgages became more expensive, making home building less affordable, and the number of building permits issued decreased. Additionally, persistent geopolitical uncertainty was reflected in declining consumer and business confidence. At the same time, demand for housing remained high and unemployment rates were comparatively low. The Wienerberger Building Solution business unit saw consistently high activity in the renovation segment and, overall, stable market development in our core markets. Owing to steeply increasing energy prices, there was an increasing focus on the renovation of buildings, especially of roofs. This trend was supported by public incentive programs (EU Green Deal and national initiatives), as well as stricter regulation aimed at enhancing the energy efficiency of buildings.

In our Eastern European markets, above all in the non-euro countries, we saw significantly increased inflation rates of more than 15% and a resultant steep rise in mortgage lending rates. Newbuild activity therefore slowed down faster and more markedly than in Western Europe. The situation was similar in our Western European core markets, but our plants were operating at a high level of capacity utilization throughout the year to fulfill all orders. Demand in the renovation segment, especially for our roof solutions, was high across all regions. Overall, the contributions to earnings delivered by our regions in Eastern and Western Europe in 2022 were above the good values of the previous year despite the notable slowdown in newbuild activity.

In an extremely volatile market environment, our priorities in 2022 were to fully offset the high cost inflation and to continuously broaden our portfolio through the addition of innovative system solutions. At the same time, we focused on continuing our forward-buying strategy to meet our energy demand. Our ongoing Self-Help Program aimed at earnings growth and efficiency enhancement again delivered a substantial contribution to our 2022 performance.

In 2022, in accordance with our value-accretive growth strategy, several acquisitions were made in the business area covered by the Wienerberger Building Solutions Business Unit. The integration of a prefabrication plant taken over from Walzer Bausysteme GmbH in Austria has strengthened our solution-oriented approach and broadens our skill base in prefabrication. The acquisition of Mayr Dachkeramik GmbH, a German manufacturer specializing in roofing accessories, has added to our product portfolio for renovation. On the other hand, we sold our Russian activities within the framework of a management buyout as a consequence of the Russia-Ukraine conflict.



In December 2022, Wienerberger announced its intention to take over significant parts of the Terreal Group, a successful European supplier of innovative roof and solar solutions. For Wienerberger, this acquisition would be the biggest step ever within the framework of the company's value-accretive growth strategy. By acquiring Terreal's business in Germany, France, Italy, Spain, and the USA, Wienerberger intends to significantly expand its footprint in building renovation and repair and evolve into the European pitched roof expert. Overall, the transaction concerns almost 3,000 employees, 29 production sites, and estimated annual revenues of approximately € 740 million. The transaction is to be closed in the course of 2023 and remains subject to the approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this nature.



Wienerberger Piping Solutions

In the challenging market environment of 2022, the Wienerberger Piping Solutions Business Unit again increased its external revenues and its earnings:

- › 15% increase in external revenues to € 1,345.7 million (2021: € 1,167.3 million)
- › 14% rise in operating EBITDA to € 140.5 million (2021: € 123.4 million)
- › Time-tested procurement strategy and successful implementation of proactive margin management as the basis for a satisfactory performance despite declining market volumes
- › Successful enlargement of our product portfolio through the acquisition of two system solution providers: Vargon in Croatia and QPS in Norway

Wienerberger Piping Solution		2022	2021	Chg. in %
External Revenues	in MEUR	1,345.7	1,167.3	+15
Operating EBITDA	in MEUR	140.5	123.4	+14
EBITDA	in MEUR	134.1	127.5	+5
EBIT	in MEUR	57.0	49.5	+15
Total investments	in MEUR	94.7	81.3	+17
Capital employed	in MEUR	948.6	920.3	+3
Ø Employees	in FTE	3,944	3,606	+9

After its strong performance in 2021, the Wienerberger Piping Solutions Business Unit again succeeded in increasing its revenues and earnings in 2022 despite challenging market conditions. In the reporting period, external revenues grew by 15% to € 1,345.7 million (2021: € 1,167.3 million). Thanks to successful initiatives within the framework of our Self-Help Program and the consistent continuation of our value-accretive growth strategy, operating EBITDA grew from € 123.4 million to € 140.5 million, even though sales volumes declined. On this basis, we generated an operating EBITDA margin of 10.4% (2021: 10.6%).

The 2022 performance of the Wienerberger Piping Solutions Business Unit also reflects the deterioration of the economic atmosphere, especially in the second half of 2022, which was marked by the noticeable effects of the war in Ukraine with steeply rising energy prices, high inflation rates, and a tightening of the central banks' interest rate policy. Against this background, conditions for business were challenging both on the procurement side, with highly dynamic price developments in the raw material markets and bottlenecks along the supply chains, and on the distribution side, with declining sales volumes.

Despite such difficult market conditions, we succeeded in surpassing even the excellent result of the previous year. This achievement was based on a time-tested procurement strategy with long-standing trading partnerships and the targeted implementation of proactive margin management. Moreover, we concentrated on the continuous enlargement of our portfolio through the addition of products that generate higher margins. In particular, we focused on developments and innovations in the field of customer-specific all-in and system solutions. Our primary focus was on efficient and sustainable water management, as well as the continuous optimization of our profitability through targeted portfolio rotation.

Broken down by region and end market, developments in the course of the business year were quite varied. The positive trend of the previous year continued during the first six months of the reporting period. Given the high level of demand in the first half of the year, shortages along the supply chain persisted, although the availability of plastic granulates improved slightly compared to 2021. The highly dynamic development of input costs continued, especially on account of the steep rise in crude oil prices. The generally high level of inflation led to noticeably higher personnel, energy, and logistic costs. Low visibility with regard to geopolitical developments represented an added challenge.

Decreasing demand as of the beginning of the vacation season and a further slowdown of newbuild activities attributable to continuing high prices led to a slight improvement of the supply situation during the summer months. The dynamic price development, especially in plastic granulates, therefore cooled off slightly, but peaked again in the third quarter of 2022. We were not completely immune to this market development characterized by high inflation rates and notable interest rate hikes and therefore recorded a decrease in sales



volumes, above all in the second half of 2022. In Eastern Europe, especially in the non-euro countries of Poland, the Czech Republic, and Hungary, the slowdown in demand was particularly pronounced on account of fast-rising interest rates and double-digit inflation rates in certain countries. In the course of the year, sales volumes in Northern and Western Europe also showed an accelerating downward trend, above all in the newbuild segment. Not so in infrastructure, where demand remained largely stable throughout Europe. This was primarily attributable to consistently high demand for all-in solutions for energy and water management, especially in urban areas, where public-sector investments continued. Nevertheless, projects were postponed, or priorities shifted in individual countries. Overall, the main challenge in all regions was to counter high cost inflation through proactive margin management and, at the same time, retain our position as a reliable partner for our customers.

When comparing 2022 with the previous year, it is important to note that 2021 was special in terms of sales volumes, as we always had enough raw materials for the production of plastic pipes even in periods of supply bottlenecks, while some of our competitors were unable to supply their customers. At the same time, we successfully withdrew from the pipe business in France, Russia, and Greece, as well as a number of low-margin export markets.

In the course of the reporting year, we again concentrated on a sustainable increase in profitability by progressively enlarging our product mix through the addition of high-quality system solutions, combined with the continuous optimization of our product portfolio, for instance through the development and distribution of customer-specific product applications. At the same time, we further optimized the entire production process and enhanced its efficiency within the framework of our Self-Help Program. The only input required for the production of the plastic applications designed by Wienerberger Piping Solutions is electricity as an energy source, which we obtain solely in the form of green electricity.

The integration of our acquisitions made in 2021, i.e. FloPlast in Great Britain and Cork Plastics in Ireland, made good progress and provided us with additional production capacities. In June 2022, we continued our growth in the field of in-house solutions through the acquisition of Vargon, the leading provider of plastic pipe solutions in Croatia, which will significantly boost our value creation in South-Eastern Europe. Moreover, the acquisition of QPS, the Norwegian water management specialist, added smart system solutions for water management to our portfolio.



North America

In the first year after the acquisition of Meridian Brick, the North America Business Unit recorded a significant increase in external revenues and earnings despite a challenging market environment:

- › External revenues rose by 89% to € 944.8 million in the reporting year (2021: € 498.6 million)
- › Operating EBITDA more than doubled to a highly satisfactory € 225.9 million (2021: € 94.3 million)
- › Steep increase in earnings in the brick business mainly driven by a strong first half of the year and significant earnings contribution from Meridian Brick
- › Extraordinarily strong margin development in the plastic pipe business

North America		2022	2021	Chg. in %
External Revenues	in MEUR	944.8	498.6	+89
Operating EBITDA	in MEUR	225.9	94.3	>100
EBITDA	in MEUR	230.1	89.1	>100
EBIT	in MEUR	189.0	57.6	>100
Total investments	in MEUR	51.2	22.4	>100
Capital employed	in MEUR	571.7	539.9	+6
Ø Employees	in FTE	2,400	1,591	+51

In 2022, the North America Business Unit significantly increased both its external revenues and its earnings, despite a notable market downturn in the second half of the year. External revenues, including the contributions from Meridian Brick reported for the first full year after the acquisition of the company in October 2021, increased by 89% to € 944.8 million in the reporting year (2021: € 498.6 million). Over the same period, operating EBITDA more than doubled to € 225.9 million (2021: € 94.3 million). The operating EBITDA margin improved to 23.9% in the reporting year (2021: 18.9%). This extremely satisfactory performance was attributable to optimized input cost management and positive synergies generated in the course of the value-accretive acquisition of Meridian Brick, as well as the outstanding performance of the US plastic pipe business.

Carrying over from 2021, the beginning of the reporting year in North America was marked by a positive market environment. We recorded a very high level of demand in both the infrastructure and newbuild segments. Moreover, seasonal weather conditions were favorable in most of our core regions in the USA, benefiting the sale of high-quality solutions for the building envelope. Additionally, our market coverage was extended to new regions through the acquisition of Meridian Brick. In contrast, the Canadian market was affected by harsh winter weather, but there, too, incoming orders began to increase in March.

In the first half of 2022, the number of new housing starts therefore remained high in our core US regions, surpassing the long-term average. In particular, strong demand for our sustainable facade elements proved to be a challenge for some of our plants, as capacity utilization was restricted through the disruption of supply chains and the persistent shortage of skilled labor. Nevertheless, we were able to supply our customers at all times and once again proved to be a reliable partner for them. The steep increase in production costs due to high inflation rates was offset by successfully implemented price increases, disciplined input cost management, and efficiency enhancements in production. In the field of energy, we continued to rely on our long-term forward-buying strategy, which has proved its merits for years across the Group, and benefitted from advantageous energy costs in 2022.

Last year's geopolitical developments also affected the American market. In the reporting year, the US Federal Reserve reacted to persistently high inflation with a number of consistent interest rate steps. The resultant steep rise in mortgage rates led to a slowdown in investment activities. The consequences of this interest rate policy hit the North American market faster than the European market. Since the summer months, newbuild activity has cooled off notably in both the USA and Canada. The number of building permits decreased substantially in the second half of the year. Alongside the continuing increase of the federal funds rate, local weather conditions with windstorms, persistent rain, and heavy snowfall also reduced construction activities during the last months of the reporting year. Even though the second half of 2022 was marked by shrinking markets, we nevertheless generated very strong full-year growth in earnings in our business with facing bricks and calcium silicate products, thanks to a very strong first half of the year.



In our US plastic pipe business we saw strong and stable demand in the first half of the year, especially in the field of water management, ranging from municipal water supply to sewage pipes to sanitary and irrigation systems. However, the general cyclical downturn, especially in the second half of the year, dampened our sales volumes in the plastic pipe segment. In the infrastructure sector, our largest end market, demand remained at a sound level. The decline in the number of housing starts translated into decreasing demand for our in-house solutions. Taking the 2022 reporting year as a whole, earnings from our plastic pipe business in the USA were extraordinary despite the challenging market environment.

This significant increase in earnings was largely due to excellent, proactive procurement and margin management in a dynamic market environment. Starting near the end of 2021, supply chain bottlenecks and the limited availability of plastic granulates triggered an unusually dynamic price development. Although the situation eased to a certain extent at the beginning of the reporting year and security of supply seemed to be guaranteed, bottlenecks in the supply of secondary raw materials drove prices up further in the plastic pipe sector. This had a strong impact on the development of revenues and earnings beyond the first half of the year. In the USA, the dynamic price increase in the raw material markets for plastic granulates reached its peak in the summer months, but has recently trended downward. As raw material prices continue to normalize, we expect our US plastic pipe business to return to a more sustainable earnings and margin level.

The progressive integration of the individual production sites taken over in the course of the Meridian Brick acquisition into Wienerberger's existing organization was another priority in the reporting year. Thanks to the successful involvement of the various stakeholders in this process, progress was faster than expected. During the first year after the acquisition, we generated strong synergy effects in terms of both costs and earnings.



Outlook 2023

Record results in 2022

In 2022, Wienerberger generated operating EBITDA of € 1,021 million, the best result ever in the company's history of over 200 years. This result was achieved due to the outstanding performance of all employees and is attributable in particular to the sustainable purchasing strategy for energy and raw materials. As a result, the Wienerberger Group continued producing in the very unstable market environment of 2022, generating an extraordinarily contribution to earnings of approx. € 110 million. Viewed from a long-term perspective, these € 110 million must be deducted from operating EBITDA of € 1,021 million to arrive at a sustainable operating EBITDA of approx. € 910 million in the year 2022.

This one-time overachievement of around € 110 million can be broken down as follows:

- › Due to our forward-looking purchasing policy for energy and raw materials, we were able to supply our European customers without interruptions; the resulting short-term market share gains delivered an earnings contribution of € 30 million
- › Thanks to high capacity utilization, we achieved very favorable production costs and generated an earnings contribution of € 20 million
- › In addition, our North American management generated an earnings contribution of € 60 million through its excellent purchasing policy for plastic granulates

In 2022, the end markets of the Wienerberger Group in Europe and North America developed as follows:

- › New build -13%
- › Renovation stable
- › Infrastructure -9%

Despite this development of our end markets, the strong organic growth once again demonstrates the success of the system solutions business and the innovative strength of the Wienerberger Group.

Market outlook for 2023

For 2023, the Wienerberger Group expects to see persistently high inflation and a continuation of the previous year's upward trend in financing costs. With mortgages becoming more expensive, we anticipate a further drop in the number of new building permits issued to home builders. High energy prices will again lead to an increasing focus on the renovation of buildings, especially the renewal of roofs. This trend will be supported by public incentive programs (EU Green Deal and national initiatives), as well as stricter regulations aimed at enhancing energy efficiency. We therefore expect to see continued lively activity in the renovation segment and generally stable market development. In the infrastructure segment we anticipate muted demand and shifts in project business as a result of rising financing costs. Moreover, the European Union temporarily suspended the disbursement of funds to Hungary and Poland, which in turn will lead to a reduction in the number of infrastructure projects implemented in these markets.

Overall, 49% of revenues is accounted for by new build, 29% by renovation, and 22% by infrastructure. From today's perspective, considering the ongoing instability, we anticipate the following developments in our end markets in 2023 as a scenario:

- | | Europe | North America |
|------------------|--------|---------------|
| › New build | -15 % | -20 % |
| › Renovation | -3 % | -3 % |
| › Infrastructure | -5 % | -5 % |



In the challenging year 2023, we will remain true to our value-creating growth strategy and continue to focus on innovation and expanding our portfolio of sustainable system solutions. We are continuing our proven forward buying strategy for energy throughout the Group. For 2023, we already secured 93% of the gas volumes required. From our ongoing Self-Help Program aimed at increasing earnings and efficiency we expect a contribution to earnings of € 45 million. For 2023, we foresee a cost inflation of 10% for the Wienerberger Group. We will cover these costs through strict and proactive cost and margin management - despite softening markets and increased competition.

In December 2022, Wienerberger announced its intention to take over significant parts of the Terreal Group, a successful European supplier of innovative roof and solar solutions. By acquiring Terreal's business in Germany, France, Italy, Spain, and the USA, Wienerberger intends to significantly expand its footprint in building renovation and repair and evolve into the European pitched roof expert. Overall, the transaction concerns almost 3,000 employees and 29 production sites. The transaction is to be closed in the course of 2023 and remains subject to the approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this nature.

We expect the current unstable geopolitical situation to continue and do not foresee any short-term easing of the central banks' interest rate policies. Based on such scenario Wienerberger will generate EBITDA of € >800 million. This figure does not include contributions to earnings from the Terreal Group or any companies that may be acquired in the course of 2023

Wienerberger will continue its growth path in 2023. Thanks to our continuous focus on innovation and the further expansion of our portfolio of system solutions, we will continue to outperform our markets. We will maintain the gross margin through proactive cost management measures despite softening markets. In addition, the acquisition of the Terreal Group will make a significant contribution to revenues of € 740 million and EBITDA of € 100 million before synergies.



Additional Information about the Company

Research and Development

Research and Development (R&D) are of central strategic importance for the Wienerberger Group, as they enable us to take the lead in terms of costs and technology and strengthen our position in the long term through product innovations. Our primary focus is on creating benefit for the users of our products and on meeting all requirements in terms of sustainability. Our R&D activities are fundamental to the achievement of our ambitious targets regarding decarbonization and the circular economy. Moreover, the development of new materials, products and system solutions, the optimization of existing production technologies and the development of new ones, the digitalization of processes, and the continued transition to Industry 4.0 are among our central action areas.

Strategic R&D projects are managed centrally, but generally implemented at the local level. To this end, Wienerberger operates several research centers in a number of countries, each of them specializing in a specific product group. Within the framework of demonstration projects, new technologies are first tested for their potential benefit and their added value for customers. Successful ideas are then quickly rolled out across the entire Group via our platforms.

Innovations, system solutions, and efficient use of resources

One of the priorities of our research activities is to continuously optimize the properties of building materials and the use of resources, combined with the development of new solutions, in order to meet the steadily increasing demands on building materials in terms of energy efficiency, their CO₂ footprint, earthquake resistance, and structural properties. Moreover, we focus on enhancing existing and new products by adding smart and/or digital functionalities. Our goal is to develop solutions that enable environment-friendly, fast, and easy installation of our products on the construction site, contribute to climate protection and the energy efficiency of buildings, and create added value for our customers. It goes without saying that all our R&D activities are completely in line with our ambitious ESG targets.

Becoming a CO₂-neutral provider of building materials

In pursuit of the goal of circularity, our new products are designed for reuse or recycling. Moreover, we are making every effort to ensure that all our products advance the target of decarbonization throughout their life cycle and thus reduce the entire Group's CO₂ footprint. With their positive properties as a natural, energy-efficient building material, our bricks contribute to environmental protection and ensure a pleasant and healthy indoor climate in summer as well as in winter.

Our research priorities in ceramic production include the use of alternative energy sources (electrification of processes, possible use of hydrogen or "green" gas), the reduction of energy consumption in the drying and firing processes, and the optimized use of raw material resources through product developments and new formulations.

Additionally, we are continuously investing in the automation of production processes and the introduction of novel production technologies. As a technology and innovation leader, Wienerberger is developing building materials and services for the future, including solutions for the entire building envelope. By reducing the weight of our products, enhancing the efficiency of our production processes, and optimizing the physical properties of our products, we have succeeded in improving thermal insulation by almost one third, reducing energy consumption in production, and enabling the construction of substantially thinner walls.

In the course of our ongoing innovation efforts, we are intensively exploring the possibilities of mobile masonry robots and prefabrication. In times of digitalization, high demand for affordable housing, and the growing shortage of skilled labor, the entire construction sector is confronted with major challenges. As the innovation leader of our industry, we see great potential for automation in both prefabrication and the execution of construction projects. We want to offer our customers product solutions that not only accelerate and facilitate construction work, but also reduce costs and, at the same time, offer the advantage of increased safety, efficiency and quality. To this end, we are cooperating with well-established businesses, start-ups, and universities. Among other solutions, the first prototype of an innovative masonry robot for use on construction sites has been designed on this basis. The objective is to develop this solution to market maturity in response to the increasing shortage of skilled labor on construction sites.



In the plastic pipe segment, we have continuously optimized our products and further increased the share of recycled raw materials used in production. With this development, we are actively contributing toward improving the CO₂ balance across the entire product life cycle and ensuring full circularity. This process was accompanied by regular quality control measures and numerous tests of the composition of the pipe material to ensure a consistently high level of product quality. Moreover, we are continuously working on our infrastructure solutions in the field of water management to prevent a shortage of this invaluable resource. In the field of energy, we are making every effort to promote the use of renewable energy sources. The Raineo system developed by Pipelife, our wholly- owned subsidiary, is a noteworthy example: It is made entirely from secondary raw materials and optimizes rainwater management on sealed surfaces. Another example is our Preflex Spider, a prefabricated, tailor-made electrical installation ideally suited to increase the efficiency of construction site work. These and other solutions are our response to the growing shortage of skilled labor and to climate change.

Ceramic pipe production is another area where we are continuously improving our processes. Pipes of the Steinzeug-Keramo brand, produced exclusively from natural, reusable raw materials, are 100% recyclable at the end of their useful life.

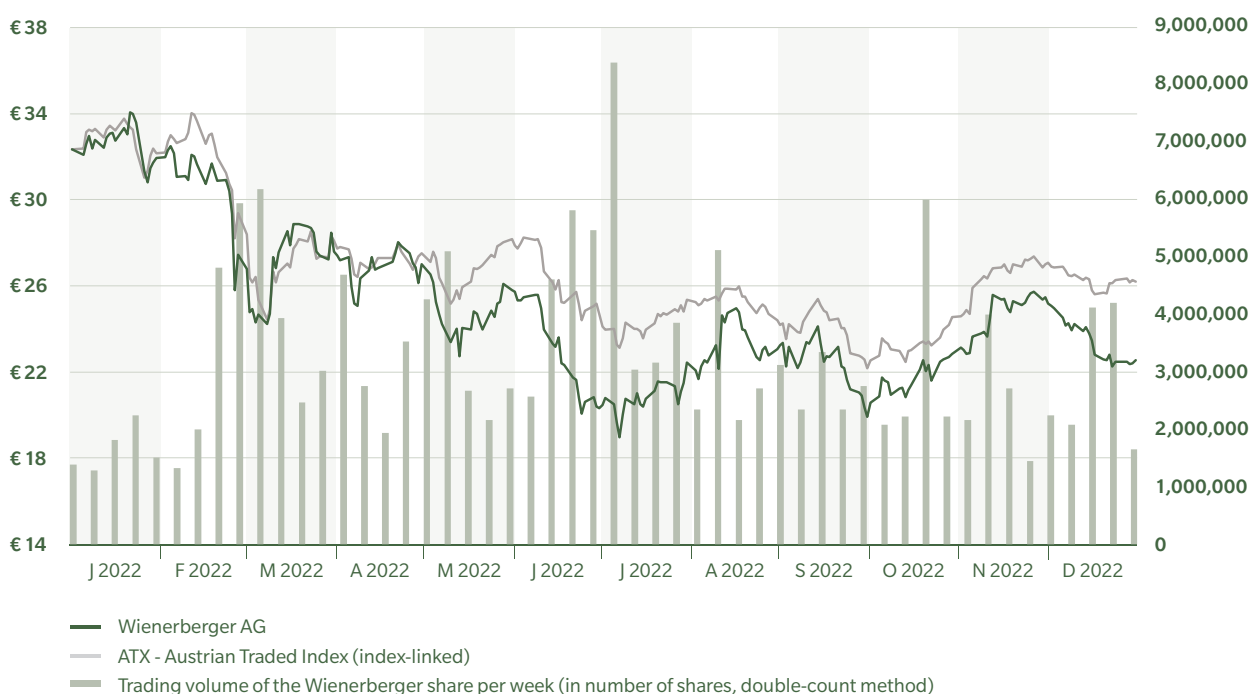
Our response to current challenges - be it climate change, the shortage of skilled labor or the scarcity of resources –is innovation. Our vision is to improve people’s quality of life with our smart building and infrastructure solutions. One third of Wienerberger’s revenues are already accounted for by innovative products and services. Our goal for the future is to maintain this share at such high level throughout the Group. Regular information on current topics in the field of research and development is provided on our website.



Wienerberger Share and Shareholders

Wienerberger AG is listed in the Prime Market segment of the Vienna Stock Exchange with no-par-value bearer shares. There are neither preferred shares or registered shares nor any restrictions on common stock. The “one share – one vote” principle therefore applies in full. In the USA, Wienerberger AG trades on the OTC market via an ADR Level 1 Program of the Bank of New York. With a market capitalization of € 2,521 million and a weighting of 5.2% in the ATX at the end of 2022, Wienerberger is one of the seven largest listed companies in Austria.

Development of the share price



The Wienerberger share opened the 2022 trading year at a price of € 32.34, the closing price of a volatile previous year, but one marked by growth, with the share price up by a total of 24% in the course of 2021. At the beginning of the year, the upward trend of the last weeks of 2021 continued and the Wienerberger share performed well in a friendly market environment. With price gains during the first trading days, the share reached its annual high on January 19 at € 34.04. The outbreak of the war against Ukraine on February 24 caused a geopolitical crisis, which had an immediate impact on the world economy. Within a few days, share prices declined significantly on stock markets all over the world. The ongoing war led to massive price increases, especially for energy sources such as oil and gas, the costs of which appeared to explode, triggering a chain reaction. In many countries, including Europe and the USA, this drove inflation rates into the double-digit range. Central banks, above all the US Federal Reserve System, reacted with notable key increases in interest rates, heralding a turnaround in monetary policy. The combined effect of a geopolitical crisis, high inflation rates and steeply rising interest rates sent share prices into a slump worldwide. In a highly volatile market environment, the Wienerberger share was also affected by this negative trend and reached its annual low at € 18.98 on July 6, having lost 41% in value since the beginning of the year. Markets remained extremely volatile, but benefited from a slight improvement in market sentiment and following the publication of our excellent results, the share price subsequently recovered and rose to just under € 26. During the last month of the reporting year, a downward trend set in again, as central banks decided on further interest rate increases to counter inflationary pressure, which in turn dampened the stock market climate. At year end, the Wienerberger Share traded at € 22.56, having lost 30% in value in the 2022 trading year. The ATX, the lead index of the Vienna Stock Exchange, lost 19% over the same period, a development primarily driven by the performance of bank and energy stocks, which are heavily weighted in the Austrian Traded Index.



Based on the current forecast for the development of business, the Management Board will propose to the 154th Annual General Meeting on May 5, 2023, that a dividend of € 0.90 per share be paid out, which corresponds to a 20% increase year on year. The total of the dividend payout of € 95.4 million and the cancellation of 3% of the share capital amounting to € 82.3 million corresponds to a payout ratio of 30% of free cash flow. Based on the year-end share price of € 22.56, this represents a dividend yield of 4.0%.

Liquidity in MEUR



Ø Stock exchange turnover of the Wienerberger share per day (double-count method)

Key Data per Share		2022	2021	Chg. in %
Earnings	in EUR	5.17	2.75	+88
Adjusted earnings	in EUR	5.34	2.84	+88
Dividend	in EUR	0.90	0.75	+20
Free cash flow ¹⁾	in EUR	5.44	3.72	+46
Equity ²⁾	in EUR	22.30	19.00	+17
Share price high	in EUR	34.04	35.34	-4
Share price low	in EUR	18.98	26.16	-27
Share price at year-end	in EUR	22.56	32.34	-30
P/E ratio high		6.58	12.87	-
P/E ratio low		3.67	9.53	-
P/E ratio at year-end		4.36	11.78	-
Shares outstanding (weighted) ³⁾	in 1,000	109,884	113,105	-3
Market capitalization at year-end	in MEUR	2,520.7	3,725.2	-32
Ø Stock exchange turnover/day ⁴⁾	in MEUR	15.9	12.9	+23

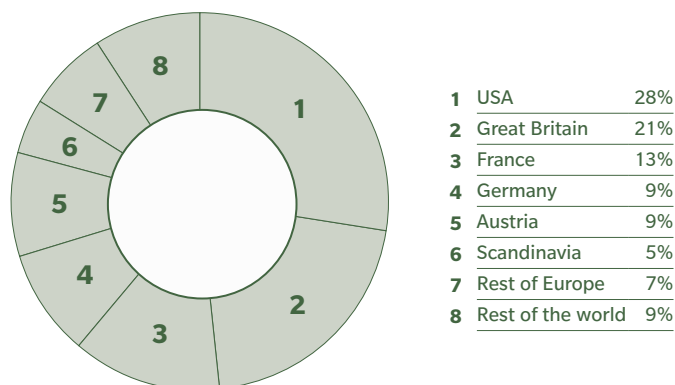
1) Cash flow from operating activities less cash flow from investing activities and outflow from the redemption of liabilities from leases plus special capex and net outflow for acquisitions // 2) Equity including non-controlling interests, excluding hybrid capital // 3) Adjusted for treasury shares // 4) Double-count method



Shareholder structure

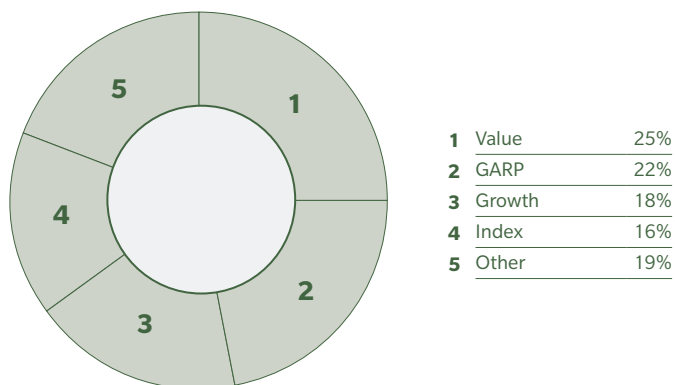
Wienerberger is a pure free float company and has no core shareholder. 100% of its shares are publicly traded. The Group's widely diversified shareholder structure is typical of a publicly traded company with international operations. The most recent survey of the shareholder structure performed in November 2022 showed that 15% of Wienerberger shares are held by private investors. The large majority is held by institutional investors, more than half of them based in the Anglo-Saxon region, i.e. North America (33%) and Great Britain (21%). The remaining shares are held mainly by Continental European investors.

Shareholder Structure by Country (Institutional Investors)



An analysis of the various strategies pursued by institutional investors shows that value-oriented investors dominate at a rate of 25%, followed by GARP investors and growth-oriented investors (22% and 18% respectively).

Shareholder Structure by Investor Type (Institutional Investors)



Pursuant to sections 130 to 134 of the Austrian Stock Exchange Act, which provides for mandatory reporting of significant holdings, the following notifications have been received from shareholders: More than 5% each of Wienerberger shares have been held by Petrus Advisers Ltd, based in Great Britain, since February 24, 2022, by FMR LLC (Fidelity), based in the USA, since August 22, 2022, and by Impax Asset Management Group plc, based in Great Britain, since November 18, 2022. More than 4% of Wienerberger shares have been held by BlackRock Inc., based in the USA, since October 24, 2022. After the cancellation of 3,455,639 own shares on November 18, 2022, the share capital of Wienerberger AG comprises 111,732,343 no-par-value shares and 5,756,271 treasury shares.



Investor Relations

In the course of our intensive investor relations activities, we are making every effort to establish long-term relations and engage in continuous exchanges with investors, analysts and banks. The crucial issue in investor relations is to ensure the highest possible degree of transparency through ongoing, open and active communication. To meet these demanding requirements in a year marked by geopolitical crises, Wienerberger not only took advantage of the possibility of resuming personal contacts, but also continued to use digital communication channels in order to respond to enquiries as quickly as usual and to inform the financial market about current developments in our markets through regular conference calls. We also participated in numerous roadshows and investor conferences, both virtually and within the framework of on-site meetings. In the year under review, the Managing Board and the Investor Relations team were in direct contact with investors and analysts all over the world on almost 600 occasions, informing them about our key financials, the company's operational and strategic developments, and current ESG topics. In 2022, in particular, the implications of the Russia-Ukraine conflict for the individual markets were at the focus of attention.

The fact that Wienerberger is covered by a number of renowned Austrian and international investment banks ensures the visibility of the Wienerberger stock among the financial community. As of February 2023, the Wienerberger share is being covered by 14 analysts.

Disclosures on capital, shares, voting rights, and rights of control

The 153rd Annual General Meeting held on May 3, 2022, authorized the Managing Board to buy back own shares of up to 8% of the share capital during a period of 30 months, without further resolution by the Annual General Meeting. Subject to compliance with the legal provisions in effect, shares can be bought back according to the Managing Board's judgement either over the stock exchange or over the counter, even by individual shareholders or a single shareholder, provided the Supervisory Board is retroactively informed thereof.

The 153rd Annual General Meeting held on May 3, 2022, authorized the Managing Board for a period of five years, with the approval of the Supervisory Board and without further resolution by the Annual General Meeting, to sell or use treasury shares other than over the stock exchange or through a public offering. This is subject to the provisions, mutatis mutandis, regarding the exclusion of shareholders' subscription rights, and to set the terms and conditions of the sale. Furthermore, the Managing Board of Wienerberger AG was authorized, for a period of 30 months, to reduce the share capital, if necessary, through the cancellation of own shares with the approval of the Supervisory Board and without further resolution by the Annual General Meeting.

The 150th Annual General Meeting held on May 6, 2019, resolved on an authorized capital of € 17,452,724 million (15% of the share capital) through the issuance of up to 17,452,724 new no-par-value shares over a period of five years. The shareholders' statutory subscription rights can be excluded under certain conditions. However, the total number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574 (5% of the share capital).

In the reporting year, Wienerberger AG executed a share buyback program during the period between March 9, 2022, and September 23, 2022. A total of 8,830,000 own shares at a total value of € 212 million were bought back at a weighted average price of € 24.02 per share. Through the cancellation of 3,455,639 own shares, the total number of voting rights and the share capital effectively changed as of November 18, 2022. Since that time, a total of 111,732,343 voting rights have been held in Wienerberger AG, and the new share capital of the company has amounted to € 111,732,343.

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms of corporate and hybrid bonds, and the terms and conditions of syndicated loans and other loans. Further disclosures on the composition of Wienerberger's capital, the types of shares, rights and restrictions, as well as the powers of the Managing Board to issue, buy back or sell shares are contained in the Notes to the Consolidated Financial Statements under Note 28 (Group Equity), starting on page 290.



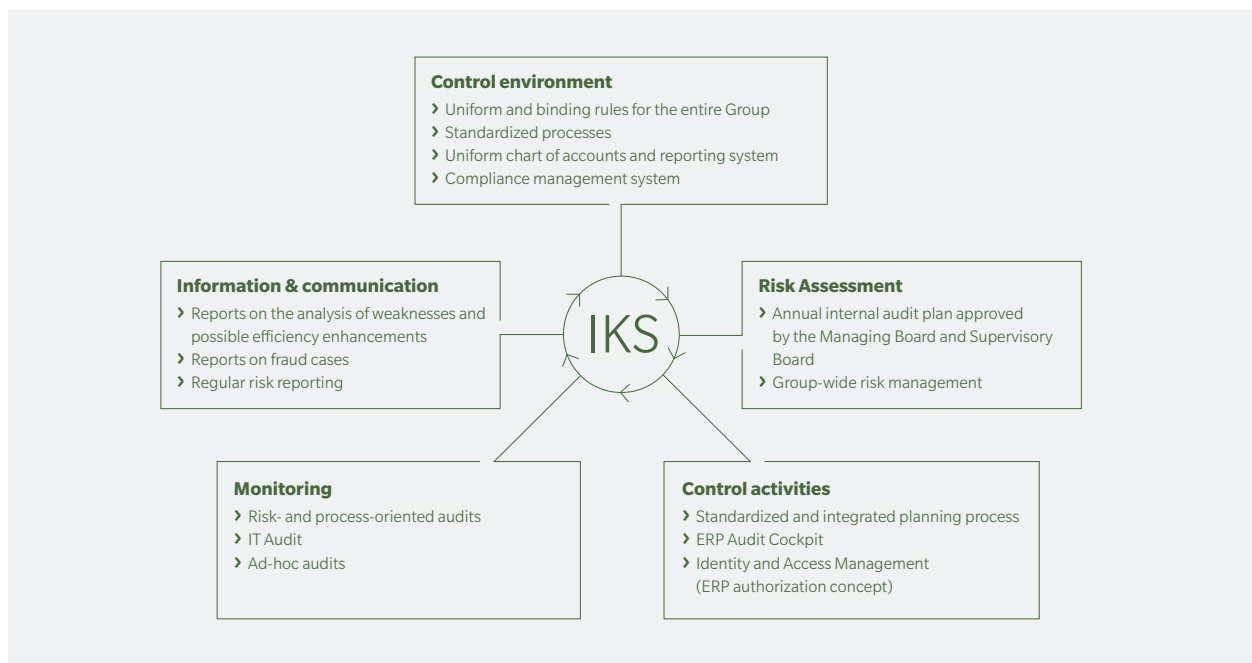
Risk Management and the Internal Control System

Our international operations not only offer great opportunities, but are also associated with short-, medium-, and long-term risks. Wienerberger has therefore established an effective risk management system, which identifies existing risks and counters them in a structured process through avoidance, elimination and limitation. Our risk awareness is taken into account in all strategic decisions. Purely operational risks are considered acceptable, whereas taking risks beyond the scope of operational business is not permitted.

As a leading provider of building material and infrastructure solutions, we voluntarily undertake to present a transparent overview not only of climate-related opportunities, but also of the associated risks. The identification and analysis of climate-related risks is part of Wienerberger Group's comprehensive risk management approach. Since 2020, we have therefore supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as regards the identification, analysis, and assessment of physical¹ and transitional risks¹. For a detailed disclosure of our TCFD-related risk management, please refer to pages 85 - 97 in the chapter "Climate Protection".

The internal control system (ICS) of Wienerberger AG plays a special role in risk management. Based on the standards of the internationally recognized framework for internal control systems (issued by COSO), the ICS provides the management with a comprehensive tool for the analysis and/or prevention of uncertainties and risks arising from the company's essential business activities. Rules and controls applicable throughout the Group and across its operating segments are set by the Managing Board. In accordance with the decentralized structure of Wienerberger, responsibility for implementing the ICS lies with the respective local management. Internal Audit assumes a steering, communication, and monitoring function. Continuous compliance with the ICS is ensured through regular audits performed at the local sites.

The ICS comprises a system of measures and processes covering the following areas:



¹⁾ In connection with the impact of the transition to a low-carbon economy (e.g. reputational risks, regulatory risks, market risks, and technology risks).



Control environment

- › Uniform and binding rules for the entire Group
- › Standardized processes
- › Uniform chart of accounts and reporting system
- › Compliance management system

The control environment forms the basis for standardization and harmonization processes across the Group. As regards accounting, the Managing Board has established a group-wide policy with uniform and binding rules to be followed in the preparation of annual and interim financial statements. Business transactions are recorded by means of standardized processes based on a uniform Group chart of accounts. Wienerberger's consolidated annual financial statements as well as its interim financial statements are prepared in accordance with IFRS in a fast-close process. The financial statements of all subsidiaries are audited by the finance and controlling departments, consolidated, and finally approved by the Managing Board of Wienerberger AG for submission to the Supervisory Board.

Wienerberger's compliance management system consists of a set of rules designed to support employees in complying with the Group's ethical and legal standards. It applies to all employees working for Wienerberger. If national legislation provides for stricter rules, the latter take precedence. As clear rules are indispensable for the prevention of misconduct, Wienerberger implemented anti-bribery and anti-corruption policies, a policy regarding compliance with anti-trust law, export controls (lists of sanctions), as well as capital market and data privacy rules. The compliance management system is continuously adapted to changes in legislation. The policies are communicated to all relevant employees on a regular basis. Training sessions are organized and documented. Additional controls have been introduced at Group level to inform and support the local management in matters of compliance. Internal Audit regularly verifies compliance with the rules and policies in effect.

In 2021, in accordance with its ESG strategy, the Wienerberger Group established its own Code of Conduct. The Code of Conduct is designed as a binding guideline setting out clear and uniform rules for employees, business partners, and suppliers. It also refers to the aforementioned internal corporate policies.

Risk assessment

- › Annual internal audit plan approved by the Managing Board and the Supervisory Board
- › Group-wide risk management

To manage the group-wide risks, we aim to identify risks as early as possible and counteract them through appropriate measures in order to minimize deviations from our goals. The respective risk owners within our experienced international teams are in charge of the

- › identification
- › analysis
- › assessment
- › management
- › monitoring

of risks. To this end, surveys are conducted twice a year at top and senior management level, involving the members of the Managing Board, the management of the business units and the heads of Corporate Functions, in order to update existing risks and identify new ones. Risks are identified and assessed proactively through interviews, workshops, and scenario analyses. Subsequently, the risks identified are analyzed and broken down into strategic and operational risks along the entire value chain and assigned to the risk owners. Risks are assessed on the basis of their probability of occurrence and the potential impact on the free cash flow. Different time horizons are taken into consideration for risk assessment, ranging from short-term (up to one year) to medium-term (one to five years) to long-term (five to 25 years) periods. These horizons were determined by the management and correspond to the annual planning process.



The effects on the free cash flow are classified in four categories – negligible (<€ 5 million), low (€ 5-50 million), critical (€ 50-100 million), and catastrophic (>€ 100 million) – which are adapted to the business performance of the respective year and approved by the Managing Board.

Besides strategic risks, the major risks for the Wienerberger Group are procurement, production, market and price risks, financial and legal risks, and climate-related risks. The risks identified are compared with the materiality matrix in order to ensure consistency of the internal risk assessment and alignment with the expectations of external stakeholder groups. For a detailed information on all types of risk, please refer to the Risk Report starting on page 316.

The most important instruments for risk monitoring and risk management are the planning and controlling processes, Group policies, regular reporting of financial and non-financial indicators, and the diversification of risks through our portfolio approach.

Most of the risks identified are addressed and monitored within the framework of established internal processes of corporate management. In particular, local companies only take on risks arising from their operational business, which are analyzed by the respective risk owners within the business unit concerned and weighed against the potential gains. Additionally, risks arising within the framework of Group financing, in procurement, in IT or in the area of compliance are not only addressed by the business units, but also managed, monitored and mitigated centrally at holding company level. Another risk class includes material risks with a low probability of occurrence. These are continually monitored, assessed, and addressed through predefined defensive measures on a timely basis, whenever need arises.

Internal Audit draws up an annual, risk-oriented audit plan, which is approved by the Managing Board and the Audit and Risk Committee of the Supervisory Board. The risk indicators used as a basis for the audit plan include financial indicators, such as revenues, EBITDA, ROCE, internal indicators, such as the number of employees, whistleblower statistics, the findings of earlier internal audit reports, as well as the corruption perception index (CPI). The IT audit plan is based on a risk assessment process for the identification of risks in connection with the loss of confidentiality, integrity, and availability of information within the framework of relevant information systems. In the course of the year, Internal Audit regularly reports to the Managing Board and the Audit and Risk Committee on the audits performed, the results obtained, and the degree of implementation of the findings.

The Group auditor annually evaluates the functionality of the Wienerberger risk management system and reports the outcome to the Supervisory Board and the Managing Board. The functionality of the risk management system was reviewed and confirmed by the Group auditor in 2022. Additionally, the control systems of the individual business units are covered within the framework of the audit of the annual financial statements performed by the Group auditor.

Control activities

- › Standardized and integrated planning process
- › ERP¹ Audit Cockpit
- › Identity and access management (ERP authorization concept)

The controlling activities include an annual planning process that is based on an integrated bottom-up planning approach. The planning process covers the budgeting of profit and loss, the balance sheet, and the cash flows of the following business year, as well as a medium-term plan for a horizon of four years. The monthly comparison of actual results with the forecasts for the respective period is an essential element of the internal control and risk management system. In addition, all subsidiaries prepare updated forecasts of their expected annual results three times a year.

In order to strengthen, formalize, and document the internal control system, a risk and control matrix with more than 150 controls, broken down into about 20 main processes and over 60 sub-processes, was designed and introduced. Once every six months, the local management evaluates and documents the status of implementation of selected key controls. Internal Audit regularly reviews this self-evaluation and assesses the degree of maturity of the respective key controls.

As a further control instrument, a fully integrated governance, risk and compliance (GRC) system has been established. At its core, there is an identity and access management system. It comprises a complete joiner, mover and leaver process, which ensures that all identities and their assigned critical IT access rights within the organization are always up to date. The system has been integrated

¹⁾ Enterprise-Resource-Planning

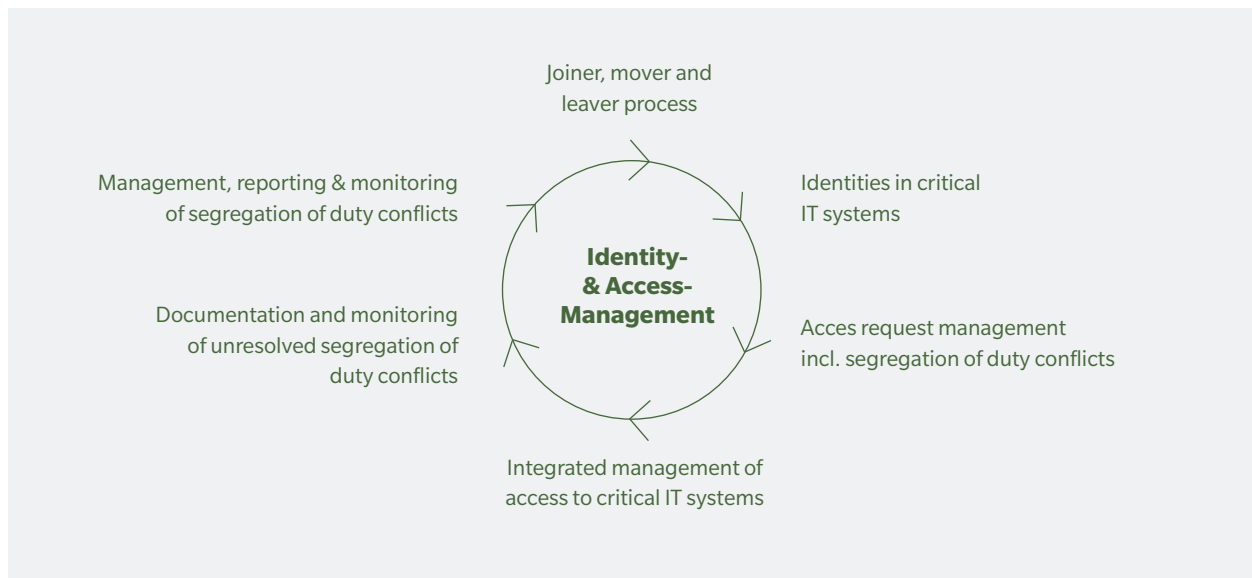


throughout the Group.

Through the identification of segregation of duty conflicts beyond the ERP system, excessive IT access rights as well as segregation of duty breaches across different applications can be restricted already at the stage of access request management.

If segregation of duty conflicts are nevertheless permitted for operational necessary reasons, they require approval and must be monitored by subsequent inspections. Such mitigating controls are performed by and documented in the identity and access management system. Additionally, the system provides for reporting options for the management to verify the controls performed.

Based on this governance, risk and compliance solution, an integrated process has been established. It ranges from the identification and communication of critical single access rights and segregation of duty conflicts to their control and documentation.



Monitoring

- Risk- and process-oriented audit
- IT audit
- Ad-hoc audit

The organizational and management structures of Wienerberger AG and its companies are clearly defined. Responsibilities for the process of monitoring risk management are determined and clearly segregated. A detailed description of the internal organizational structure can be found starting on page 37.

On the basis of the risk-oriented audit plan, Internal Audit regularly audits each Group company for compliance with the ICS and reviews operational processes for their risk propensity and possible efficiency enhancements. Depending on the size of the company, such audits are performed every two to four years. Moreover, Internal Audit verifies compliance with legal provisions and internal policies, thus acting as the central monitoring body of the internal control system. The information systems and the IT controls performed are checked against the IT / security requirements of the organization laid down in its information security management system.

In addition to its risk- and process-oriented audits, Internal Audit also performs ad-hoc and special audits if so requested by the management.



Information and Communication

- › Reports on the analysis of weaknesses and efficiency enhancements
- › Report on fraud cases
- › Regular risk reporting

Twice a year, a structured risk management process takes place. In the course of this process, the risk management team supports the individual business areas through proactive interviews and workshops aimed at identifying and assessing their respective risks. The results and the related recommendations and measures are summarized and transmitted to the Managing Board, the Supervisory Board, and the external auditor of the Group. As a rule, the major risks are presented in detail by the respective risk owner to the Audit and Risk Committee.

Risk reports are submitted as follows:

- › Standardized – structured risk management process in the form of interviews and workshops
- › Regular – embedded in the Group's existing reporting channels
- › Ad hoc – for instant communication of changing or new risks

Within the framework of the other information and communication duties of the ICS, Internal Audit and Group Reporting regularly report to the Audit and Risk Committee on material accounting and valuation procedures, the impact of newly adopted IFRS rules on the consolidated financial statements, major changes in the accounting process, and findings from risk management. Moreover, the Audit and Risk Committee is regularly informed of audit findings, relevant implementation activities, and measures to eliminate weaknesses identified in the ICS.



CONSOLIDATED FINANCIAL STATEMENT

254

Consolidated Income Statement

255

Consolidated Statement of Comprehensive Income

256

Consolidated Balance Sheet

257

Consolidated Statement of Cash Flows

258

Consolidated Statement of Changes in Equity

259

Notes to the Consolidated Financial Statements

259

General Information

- 259 1. Basis for the preparation of the consolidated financial statements
- 259 2. Consolidated companies
- 261 3. Acquisitions and disposals of companies
- 262 4. Methods of consolidation
- 263 5. Accounting and valuation policies
- 263 6. Estimates and judgements
- 264 7. Effects of new and revised standards
- 266 8. Operating segments

268

Notes to the Consolidated Income Statements

- 268 9. Revenues
- 269 10. Material expenses
- 270 11. Depreciation, amortization, impairment charges and reversal of impairment charges
- 270 12. Personnel expenses
- 272 13. Employees
- 273 14. Other operating expenses
- 274 15. Other operating income
- 274 16. Reconciliation of results according to the cost of sales and total cost method
- 275 17. Interest and other financial result
- 276 18. Income taxes
- 277 19. Earnings per share, proposal for profit distribution

278

Notes to the Consolidated Statement of Comprehensive Income

279

Notes to the Consolidated Statement of Cash Flows

- 279 20. Cash flow from operating activities and from investing activities
- 280 21. Cash flow from financing activities

281

Notes to the Consolidated Balance Sheet

- 281 22. Non-current assets
- 287 23. Investments
- 287 24. Inventories
- 287 25. Receivables, securities and other financial assets
- 289 26. Other receivables
- 290 27. Non-current assets held for sale
- 290 28. Group Equity
- 291 29. Provisions

292 30. Employee benefits

297 31. Deferred Taxes

298 32. Liabilities

302 33. Contingent liabilities and guarantees

302 34. Financial Instruments

304 35. Derivative financial instruments and hedge accounting

306 36. Disclosure on financial instruments

310

Accounting and Valuation Policies

314 37. Foreign exchange translation

316

Risk Report

- 316 Principles of risk management
- 316 Risk situation and operating risks relating to the Group's markets
- 317 Procurement, production, investment and acquisition risk
- 318 Financial risks
- 323 Legal risks
- 323 Other risks

324

Other disclosures

- 324 38. Related party transactions
- 325 39. Significant events after the balance sheet date

326

Statement by the Managing Board

327

Group companies

332

Auditor's report



Consolidated Income Statement

Notes	in TEUR	2022	2021
(9)	Revenues	4,976,732	3,971,307
(10–12, 14–16)	Cost of goods sold	–3,029,434	–2,532,107
	Gross Profit	1,947,298	1,439,200
(10–12, 14–16)	Selling expenses	–859,018	–706,929
(10–12, 14–16)	Administrative expenses	–327,795	–275,489
(11, 15, 16)	Other operating income	66,753	56,555
(11, 14, 16)	Other operating expenses		
(11)	Impairment charges to assets	–18,389	0
(11)	Impairment charges to goodwill	0	–10,747
	Other	–87,656	–82,153
	Operating profit/loss (EBIT)	721,193	420,437
(2)	Income from investments in associates and joint ventures	6,563	4,079
(17)	Interest and similar income	6,234	2,376
(17)	Interest and similar expenses	–48,495	–40,343
(17)	Other financial result	2,851	–12,276
	Financial result	–32,847	–46,164
	Profit/loss before tax	688,346	374,273
(18)	Income taxes	–119,800	–62,203
	Profit/loss after tax	568,546	312,070
	Thereof attributable to non-controlling interests	635	184
	Thereof attributable to hybrid capital holders	0	1,176
	Thereof attributable to equity holders of the parent company	567,911	310,710
(19)	Earnings per share (in EUR)	5.17	2.75
(19)	Diluted earnings per share (in EUR)	5.17	2.75



Consolidated Statement of Comprehensive Income

Notes	in TEUR	2022	2021
	Profit/loss after tax	568,546	312,070
(37)	Foreign exchange adjustments	-14,478	54,453
(37)	Foreign exchange adjustments to investments in associates and joint ventures	46	75
	Changes in hedging reserves	29,871	-8,729
	Items to be reclassified to profit or loss	15,439	45,799
(30)	Actuarial gains/losses	8,354	27,031
	Actuarial gains/losses from investments of associates and joint ventures	301	100
	Items not to be reclassified to profit or loss	8,655	27,131
	Other comprehensive income	24,094	72,930
	Total comprehensive income after tax	592,640	385,000
	Thereof comprehensive income attributable to non-controlling interests	671	215
	Thereof attributable to hybrid capital holders	0	1,176
	Thereof comprehensive income attributable to equity holders of the parent company	591,969	383,609



Consolidated Balance Sheet

Notes	in TEUR	2022	2021
Assets			
(22)	Intangible assets and goodwill	846,770	857,371
(22)	Property, plant and equipment	2,268,885	2,116,153
(22)	Investment property	37,921	43,905
(23)	Investments in associates and joint ventures	20,420	18,166
(23, 26)	Other financial investments and non-current receivables	23,371	22,110
(31)	Deferred tax assets	61,754	74,127
Non-current assets		3,259,121	3,131,832
(24)	Inventories	1,036,211	883,301
(25)	Trade receivables	374,514	343,416
(26)	Receivables from current taxes	12,488	10,718
(26)	Other current receivables	120,865	118,563
(25, 35, 36)	Securities and other financial assets	72,896	40,313
	Cash and cash equivalents	300,031	364,307
Current assets		1,917,005	1,760,618
(27)	Non-current assets held for sale	23,131	11,335
Total assets		5,199,257	4,903,785
Equity and liabilities			
	Issued capital	111,732	115,188
	Share premium	983,995	1,069,751
	Retained earnings	1,677,900	1,189,703
	Other reserves	-194,977	-219,035
	Treasury shares	-129,799	-7,439
Controlling interests		2,448,851	2,148,168
	Non-controlling interests	1,571	900
(28)	Equity	2,450,422	2,149,068
(31)	Deferred taxes	100,674	107,269
(30)	Employee-related provisions	73,869	100,174
(29)	Other non-current provisions	103,264	98,670
(32, 34, 36)	Long-term financial liabilities	1,245,062	1,326,108
(32)	Other non-current liabilities	15,508	29,569
Non-current provisions and liabilities		1,538,377	1,661,790
(29)	Current provisions	60,801	44,566
(32)	Payables for current taxes	49,636	18,154
(32, 34-36)	Short-term financial liabilities	207,157	212,995
(32)	Trade payables	439,567	423,078
(32)	Other current liabilities	438,537	394,134
Current provisions and liabilities		1,195,698	1,092,927
Liabilities directly associated with assets held for sale		14,760	0
Total equity and liabilities		5,199,257	4,903,785



Consolidated Statement of Cash Flows

Notes	in TEUR	2022	2021
	Profit/loss before tax	688,346	374,273
(11)	Depreciation and amortization	276,257	251,237
(11)	Impairment charges to goodwill	0	10,747
(11)	Impairment charges to assets and other valuation effects	49,508	22,045
(29, 30)	Increase/decrease in non-current provisions	-18,245	-13,907
(2)	Income from investments in associates and joint ventures	-6,563	-4,079
	Gains/losses from the disposal of fixed and financial assets	-26,145	-2,874
(17)	Interest result	42,261	37,967
	Interest paid	-42,222	-36,175
	Interest received	2,776	621
	Income taxes paid	-91,364	-72,110
	Other non-cash income and expenses	3,753	-1,702
	Gross cash flow	878,362	566,043
	Increase/decrease in inventories	-171,285	-95,875
	Increase/decrease in trade receivables	-34,242	-52,089
	Increase/decrease in trade payables	19,934	74,629
	Increase/decrease in other net current assets	31,035	17,855
(20)	Cash flow from operating activities	723,804	510,563
	Proceeds from the sale of assets (including financial assets)	65,428	52,932
	Payments made for property, plant and equipment and intangible assets	-352,573	-279,756
	Payments made for investments in financial assets	0	-2,406
	Dividend payments from associates and joint ventures	3,216	2,705
	Increase/decrease in securities and other financial assets	-8,521	15,642
	Net payments made for the acquisition of companies	-52,447	-464,730
	Net proceeds from the sale of companies	12,100	8,909
(20)	Cash flow from investing activities	-332,797	-666,704
(21)	Cash inflows from the increase in short-term financial liabilities	116,732	321,676
(21)	Cash outflows from the repayment of short-term financial liabilities	-220,016	-460,797
(21)	Cash inflows from the increase in long-term financial liabilities	15,434	253,458
(21)	Cash outflows from the repayment of lease liabilities	-63,627	-49,793
(28)	Dividends paid by Wienerberger AG	-83,871	-67,359
(28)	Hybrid coupon paid	0	-10,732
(28)	Repayment/Buyback of hybrid capital	0	-214,630
(28)	Sale of treasury shares	0	80,561
(28)	Purchase of treasury shares	-213,445	0
	Cash flow from financing activities	-448,793	-147,616
	Change in cash and cash equivalents	-57,786	-303,757
	Effects of exchange rate fluctuations on cash held	-64	1,916
	Cash and cash equivalents at the beginning of the period	364,307	666,148
	Cash and cash equivalents at the end of the period ¹⁾	306,457	364,307

1) Cash and cash equivalents of TEUR 6,426 were recognized in the consolidated balance sheet as non-current assets held for sale

Consolidated Statement of Changes in Equity

Notes	in TEUR	Issued capital	Share premium	Retained earnings	Other reserves			Treasury shares	Controlling interests	Non-controlling interests	Total
					Actuarial gains/ losses	Hedging reserve	Currency translation				
	Balance on 31/12/2020	115,188	1,036,170	946,176	-90,042	86,507	-288,399	-57,300	1,748,300	685	1,748,985
	Profit/loss after tax			311,886					311,886	184	312,070
(37)	Foreign exchange adjustments						54,421		54,421	32	54,453
(37)	Foreign exchange adjustments to investments in associates and joint ventures						75		75		75
	Changes in hedging reserves					-8,729			-8,729		-8,729
	Changes in other reserves				27,132				27,132	-1	27,131
	Other comprehensive income				27,132	-8,729	54,496		72,899	31	72,930
	Total comprehensive income			311,886	27,132	-8,729	54,496		384,785	215	385,000
(28)	Dividend/hybrid coupon payment			-67,359					-67,359		-67,359
(12, 28)	Changes in stock option plan		595						595		595
(12, 28)	Changes in treasury shares		519					767	1,286		1,286
(12, 28)	Sale of treasury shares		32,467	-1,000				49,094	80,561		80,561
	Balance on 31/12/2021	115,188	1,069,751	1,189,703	-62,910	77,778	-233,903	-7,439	2,148,168	900	2,149,068
	Profit/loss after tax			567,911					567,911	635	568,546
(37)	Foreign exchange adjustments						-14,514		-14,514	36	-14,478
(37)	Foreign exchange adjustments to investments in associates and joint ventures						46		46		46
	Changes in hedging reserves					29,871			29,871		29,871
	Changes in other reserves				8,655				8,655		8,655
	Other comprehensive income				8,655	29,871	-14,468		24,058	36	24,094
	Total comprehensive income			567,911	8,655	29,871	-14,468		591,969	671	592,640
(28)	Dividend payment			-83,871					-83,871		-83,871
	Effects from hyperinflation (IAS 29)			4,679					4,679		4,679
(12, 28)	Changes in stock option plan		1,351						1,351		1,351
(12, 28)	Purchase of treasury shares							-213,445	-213,445		-213,445
	Retirement of treasury shares	-3,456	-87,107	-522				91,085	0		0
	Balance on 31/12/2022	111,732	983,995	1,677,900	-54,255	107,649	-248,371	-129,799	2,448,851	1,571	2,450,422



Notes to the Consolidated Financial Statements

General Information

1. Basis for the preparation of the consolidated financial statements

Wienerberger AG, which is headquartered in Vienna, Austria, is the parent company of an international group of companies providing building material and infrastructure solutions whose business activities are categorized into three segments according to management responsibilities: Wienerberger Building Solutions, Wienerberger Piping Solutions and North America. The address of Wienerberger AG is Wienerbergerplatz 1, 1100 Vienna, Austria.

The consolidated financial statements were prepared pursuant to § 245a of the Austrian Commercial Code and in accordance with the International Financial Reporting Standards (IFRS) and Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) published by the International Accounting Standard Board (IASB) as of the balance sheet date and adopted by the European Union (EU). Independent auditors have audited the annual financial statements of all major Austrian and foreign group companies to confirm their compliance with the International Financial Reporting Standards as applicable within the EU.

In principle, the annual financial statements are based on historical acquisition and production costs and were prepared as of the balance sheet date, the only exception being certain financial instruments, such as derivatives and equity instruments, which are accounted for at fair value. Deferred taxes are determined based on the concept of temporary differences and re-evaluated on every balance sheet date. In addition, defined benefit pension and severance compensation plans are recognized and measured according to the projected unit credit method. The income statement is prepared in accordance with the cost of sales method; the reconciliation to the total cost method is provided in the Notes.

With few labelled exceptions, the consolidated financial statements are presented in thousand euros.

2. Consolidated companies

The list of companies enclosed at the end of the Notes provides an overview of the fully consolidated subsidiaries, joint ventures and associates included at equity, and investments that are not consolidated for materiality reasons. The following table shows the changes in the scope of consolidation of the Wienerberger Group during the reporting year and comprises subsidiaries as well as associates and joint ventures accounted for at equity:

Consolidated companies	Full Consolidation	Equity consolidation
Balance on 31/12/2021	161	7
Change in consolidation method	0	0
Included during reporting year for the first time	5	1
Merged/ liquidated during the reporting period	-8	0
Divested during the reporting period	0	-2
Balance on 31/12/2022	158	6
Thereof foreign companies	134	5
Thereof domestic companies	24	1



Subsidiaries

In addition to Wienerberger AG, the 2022 consolidated financial statements include 24 (2021: 24) Austrian and 134 (2021: 137) foreign subsidiaries over which Wienerberger AG exercises control. Subsidiaries are fully consolidated as of the date control is obtained and deconsolidated when control ceases to exist. In accordance with IFRS 10, control is considered to exist when Wienerberger has power over the subsidiary and can use this power to influence the company's financial and operating policies. Four subsidiaries were not consolidated in 2022 (2021: 5) because their impact on the Group's assets, liabilities, financial position and profit or loss is immaterial for a true and fair view and would not obstruct the fair presentation of the group's financial position, financial performance and cash flows.

Investments in associates and joint ventures

The 2022 consolidated financial statements of Wienerberger AG include six investments in joint ventures (2021: 5) and one investment (2021: 1) in an associate that are accounted for at equity. In accordance with the criteria of IFRS 11, Schlagmann Poroton GmbH & Co KG, Silike keramika, spol. s.r.o. and TV Vanheede-Wienerberger and EXA IP B.V. are to be classified as joint ventures, because these companies are controlled jointly with a partner of equal rights. Wienerberger holds 50 % in these joint ventures. In the reporting year, WiTa Social Business Venture Holding was established as an associate in which the Group holds a stake of 49 %. Prior to its disposal, TONDACH BOSNA I HERCEGOVINA d.o.o., in which Wienerberger held 80%, was managed jointly and accounted for at equity on account of the distribution of voting rights. Furthermore, Wienerberger held a 30% stake in Interbran Baustoff GmbH, which was also managed jointly with the joint venture partners and therefore classified as a joint venture. These participations were sold in the course of the reporting year. The following table shows the aggregated financial information of joint ventures and associates without taking account of Wienerberger's equity share in these companies:

in TEUR	2022	2021
Revenues	131,599	124,996
EBITDA	26,688	21,873
EBIT	19,926	14,698
Profit/ loss after tax	13,344	6,935
Total comprehensive income after tax	13,947	7,135

Assets

in TEUR	31.12.2022	31.12.2021	Equity and liabilities	31.12.2022	31.12.2021
Non-current assets	61,751	65,752	Equity	42,114	37,138
Current assets	52,040	49,958	Non-current provisions and liabilities	8,680	15,227
			Current provisions and liabilities	62,997	63,345
	113,791	115,710		113,791	115,710



3. Acquisitions and disposals of companies

In June 2022, the prefabricated brick wall division of Walzer Bausysteme GmbH was acquired in an asset deal and incorporated into the newly established group company Wienerberger Bausysteme GmbH. This represents yet another step on the company's path toward becoming a full-range provider of system solutions. Goodwill was identified in the amount of TEUR 1,230, which is recognized in the Wienerberger Building Solutions segment. Since the acquisition date, the newly established company has generated revenues of TEUR 661 and EBITDA of TEUR -437. No material acquisition-related costs were incurred for this transaction.

In July 2022, Wienerberger took over Mayr Dachkeramik GmbH, a German company with a production site in Bavaria, which enlarges Wienerberger's product portfolio for roofing accessories. By acquiring the roof tile producer, Wienerberger is consistently and successfully pursuing its sustainable development into a system provider. Goodwill in the amount of TEUR 1,805 was recognized in the Wienerberger Building Solutions segment. Between 01/01/2022 and 31/12/2022, the company generated revenues of TEUR 2,531 and EBITDA of TEUR 211. Since the acquisition date, the company has generated revenues of TEUR 397 and EBITDA of TEUR -53. No material acquisition-related costs were incurred for this transaction.

In September of the reporting year, the acquisition of Vargon d.o.o., the leading provider of piping system solutions in Croatia, was closed. Wienerberger took over an equity of 79.67%; the other shareholder has the option to transfer the remaining stake in equity of 20.33% to Wienerberger in 2024. As the risks and rewards associated with the minority equity stake are assumed by Wienerberger, no non-controlling interest is recognized. The liability for the put option is recognized as a financial liability at fair value according to IFRS 9 (see Note 36. Financial Instruments). Through the acquisition of Vargon, Wienerberger is strengthening its market position in the Piping Solutions segment in South-Eastern Europe. In the course of the purchase price allocation, a customer base (TEUR 14,118) and a trademark (TEUR 985) were identified. The acquired goodwill amounts to TEUR 4,983 and is recognized in the Wienerberger Piping Solutions segment. Acquisition-related costs incurred for the transaction amounted to TEUR 260 and are reported in administrative expenses. Between 01/01/2022 and 31/12/2022, Vargon d.o.o. generated revenues of TEUR 30,346 and EBITDA of TEUR 3,615. Since the acquisition date, the company has generated revenues of TEUR 7,213 and EBITDA of TEUR -416.

The acquisition of QPS AS in November 2022 strengthened Wienerberger's market position in the Nordic water management markets. QPS is a provider of solutions for infrastructure pumping stations in Norway and supplies all-in solutions designed according to customer specifications, including engineering and assembly. The preliminary purchase price allocation results in goodwill of TEUR 2,295. Between 01/01/2022 and 31/12/2022, QPS AS, generated revenues of TEUR 5,769 and EBITDA of TEUR 788. Since the acquisition date, the company has generated revenues of TEUR 1,892 and EBITDA of TEUR 631. The acquisition-related costs amounted to TEUR 100 and are recognized in administrative expenses.

In the third quarter of 2022, Wienerberger sold its piping business in France in an asset deal resulting in a gain of TEUR 1,071.

Moreover, the 30% participation in Interbran Baustoff GmbH and the 80% stake in Tondach Bosna i Hercegovina d.o.o. were sold in the reporting year. The results from the disposals are recognized in other financial result.

Net cash outflows for the acquisition of companies in the reporting year amounted to a total of TEUR 41,070. As of 31/12/2022, purchase price liabilities of TEUR 10,907 were recognized in other liabilities. Furthermore, payments for purchase price liabilities for acquisitions made in the previous year amounted to TEUR 11,377. The payment of the last installment of the purchase price receivable from the sale of ZZ Wancor AG, closed in 2020, resulted in a cash inflow of TEUR 12,100.



The reconciliation of assets acquired and liabilities assumed is shown in the following table:

in TEUR	Vargon d.o.o.	Other	Total
Intangible assets	15,187	0	15,187
Property, plant and equipment and financial assets	24,330	3,525	27,855
Deferred tax assets	3,102	31	3,133
Non-current assets	42,619	3,556	46,175
Inventories	7,152	453	7,605
Trade receivables	4,973	1,307	6,280
Other current receivables	1,835	581	2,416
Current assets	13,960	2,341	16,301
Deferred taxes	5,102	4	5,106
Non-current provisions	83	55	138
Long-term financial liabilities	5,270	0	5,270
Non-current provisions and liabilities	10,455	59	10,514
Current provisions	99	190	289
Trade payables	2,738	998	3,736
Other current liabilities	3,376	236	3,612
Current provisions and liabilities	6,958	1,814	8,772
Net assets acquired	39,166	4,024	43,190
Goodwill	4,983	5,327	10,310
Cash and cash equivalents taken over	-1,054	-564	-1,618
Purchase price liabilities	-10,812	0	-10,812
Payments made for companies acquired in previous periods			11,377
Net payments made for acquisitions	32,283	8,787	52,447

4. Methods of consolidation

The acquisition method is applied to all fully consolidated companies. According to this method, the compensation transferred in exchange for the investment is compared with the revalued net assets (shareholders' equity) of the acquired company on the date of acquisition. All identifiable assets, liabilities and contingent liabilities are initially recognized at fair value in accordance with IFRS 3; any remaining positive difference between the purchase price and revalued stake in equity is recognized in local currency as goodwill in the relevant segment. Negative differences are recognized in the income statement in other operating income. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually together with the cash-generating unit to which they are allocated and reduced to the lower applicable recoverable amount in the event of impairment. Impairment tests are also performed more frequently if there are indications of impairment of a cash-generating unit during the financial year (see Note 5. Accounting and valuation principles and Note 22. Non-current assets).

Revenues, income and expenses as well as receivables and liabilities arising between consolidated companies are eliminated.

Intercompany gains and losses from the sale of goods or services between Group companies that affect current or non-current assets are eliminated, unless they are immaterial.



Associates and joint ventures are consolidated at equity. The Group's accounting and valuation principles are applied, unless deviations under local GAAP have an immaterial effect on the Group's financial statements.

5. Accounting and valuation policies

The accounting and valuation policies underlying for these consolidated financial statements remain unchanged in comparison with the previous year and were extended to include the new IFRSs to be applied on a mandatory basis as of the financial year (see Note 7. Effects of new and revised standards). A detailed description of the accounting and valuation policies is disclosed on page 310.

6. Estimates and judgements

In preparing the consolidated financial statements, management must make estimates and judgements that impact the recognition and measurement of assets, liabilities and contingent liabilities, the disclosure of other obligations as of the balance sheet date, and the recognition of income and expenses during the reporting period. The actual figures may deviate from management estimates.

For example, the valuation of pension plans and severance claims by actuaries include assumptions concerning the expected discount rate, increase in salaries and pensions, employee turnover rates and the development of the costs of medical care. Detailed information on the parameters used is provided in Note 30. Employee benefits. This Note also includes a sensitivity analysis of the defined benefit obligations.

The useful life of property, plant and equipment is also determined on the basis of estimates which, in this case, are derived from experience with the operation of comparable equipment. A table showing the useful lives of these assets is disclosed on page 311.

Provisions for site restorations are based on the best estimate of the expected costs for the recultivation of clay pits as well as long-term discount rates, considering the respective country-specific inflation rates. The calculation of provisions is based on estimates with a considerable degree of uncertainty. Cost estimates may vary on account of numerous factors, such as changes in relevant legislation or the development of new recultivation techniques and requirements. The impacts of climate-related risks on the most important assumptions considered in forecasting and the disclosure of such obligations are still too uncertain to allow for a more specific estimate of the provisions required. The ascertainment of such risks and their impacts on the Group will be an area of increased management attention in the coming reporting periods.

The measurement of deferred tax assets requires assumptions regarding the future taxable income and the time of utilization of the deferred tax assets. However, given the fact that the future business development cannot be predicted with certainty and is not entirely within Wienerberger's control, the valuation of deferred taxes is uncertain.

The Wienerberger Group issues various types of product warranties, depending on the respective product category and on market conditions. In principle, the recognition and measurement of provisions for warranties/guarantees relate to estimates of the frequency and amount of losses. These estimates are based on historical records of the occurrence and scope of guarantee claims as well as the best possible management estimates of payments to be made in guarantee cases. The provisions are adjusted regularly to reflect new information becoming available.

In particular, impairment testing of goodwill and other assets involves estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital for the Wienerberger Group and its cash-generating units during the planning period. On account of economic developments, the prevailing uncertainty regarding the pace of transition to low-emission technologies, and the environmental-policy measures taken to achieve the targets of CO₂ reduction, the company's assumptions of the climate-related effects included in the calculations of recoverable amounts (e.g. capital expenditure, CO₂ emission costs, and other assumptions) are by nature uncertain and may ultimately deviate from the actual amounts. The estimates made during the preparation of these consolidated financial statements reflect the best knowledge of management on a going-concern basis. They draw on past experience and take account of the remaining degree of uncertainty.



7. Effects of new and revised standards

The following table provides an overview of the new standards and interpretations published by the IASB as of the balance sheet date:

Standards/Interpretations		IASB Publication Date	Mandatory first-time application
IFRS 3	Business Combinations – Amendments	May 2020	1/1/2022 ¹⁾
IAS 16	Property Plant and Equipment – Amendments	May 2020	1/1/2022 ¹⁾
IAS 37	Provisions, Contingent Liabilities and Contingent Assets – Amendments	May 2020	1/1/2022 ¹⁾
	Annual Improvement Cycle 2018-2020	May 2020	1/1/2022 ¹⁾
IFRS 17	Insurance Contracts	May 2017	1/1/2023 ¹⁾
IFRS 17	Insurance Contracts - Amendments	June 2020	1/1/2023 ¹⁾
IFRS 17 and IFRS 9	Insurance Contracts, deferral of IFRS 9 - Amendments	December 2021	1/1/2023 ¹⁾
IAS 1	Disclosure of Accounting Policies - Amendments	February 2021	1/1/2023 ¹⁾
IAS 8	Definition of Accounting Estimates - Amendments	February 2021	1/1/2023 ¹⁾
IAS 12	Deferred Taxes related to Assets and Liabilities arising from a Single Transaction - Amendments	May 2021	1/1/2023 ¹⁾
IFRS 9	Financial Instruments - Amendments	December 2021	1/1/2023 ¹⁾
IAS 1	Classification of Liabilities as Current or Non-current - Amendments	January 2020	1/1/2024
IAS 1	Non-current Liabilities with Covenants – Amendments	October 2022	1/1/2024
IFRS 16	Lease Liability in a Sale and Leaseback – Amendments	September 2022	1/1/2024

1) Mandatory effective date according to European Union Regulation 1606/2002

New and amended standards and interpretations published and adopted by the EU

In May 2020, the IASB published clarifications on IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent assets, and the IFRS 2018-2020 improvement cycle. The amendments to IFRS 3 updated the reference to the Conceptual Framework. The amendment to IAS 16 clarifies how to account for the proceeds from the sale of products from the testing phase of production equipment. IAS 37 defines which costs are to be taken into account to determine whether a contract is onerous. These amendments have no impact on Wienerberger's consolidated financial statements.

The new standard IFRS 17 Insurance Contracts, which replaces IFRS 4, is of no relevance to Wienerberger's consolidated financial statements, as the company holds neither insurance nor re-insurance contracts as an insurance provider.

The amendments to IAS 1, published in February 2021, stipulate that the term "disclosure of significant accounting policies" be replaced by "disclosure of material accounting policies" throughout the IFRS. Adoption of the amendments is mandatory as of January 1, 2023. No material impact on the Group's consolidated financial statements is expected.

Amendments to IAS 8, which clarify the definition of changes in accounting estimates, were also published in February 2021. Mandatory adoption as of January 1, 2023, is not expected to have a material impact on the Group's consolidated financial statements.

In May 2021 amendments to IAS 12 were published. These amendments clarify how to account for deferred taxes relating to assets and liabilities arising from a single transaction (e.g. leases). Application of the amendments is mandatory as of January 1, 2023. No material impact on the Group's consolidated financial statements is expected.



New and amended standards and interpretations published but not yet adopted by the EU

Amendments to IAS 1 were published in January 2020 and October 2022. On the one hand, these amendments introduce a more general approach to the classification of liabilities as current liabilities, which is based on agreed covenants; on the other hand, they clarify that only those covenants which an entity must comply with on or before the reporting date affect the classification of a liability. Application of the amendments is mandatory as of January 1, 2024. No material impact on the Group's consolidated financial statements is expected.

The amendments to IFRS 16 specify subsequent measurement requirements for seller-lessees in a sale and leaseback transaction. Application of the amendments is mandatory as of January 1, 2024. No material impact on the Group's consolidated financial statements is to be expected.

First-time application of IAS 29 Financial Reporting in Hyperinflationary Economies

The standard applies to any entity whose functional currency is the currency of a hyperinflationary economy. In the Group's consolidated financial statements, the standard applies to a subsidiary in Turkey, where the cumulative three-year inflation rate has resulted in Turkey being classified as a hyperinflationary economy within the scope of IAS 29.

IAS 29 requires that financial statements concerned be restated by applying a general price index:

- › Monetary balance sheet positions are not restated.
- › Non-monetary balance sheet positions measured at cost or amortized cost are restated prior to translation into the Group currency on the basis of a price index used to measure the purchasing power in order to account for price changes that have occurred during the business year.
- › Positions of the Statement of Profit or Loss and Other Comprehensive Income as well as positions of equity are also adjusted on the basis of this price index, as appropriate.
- › Gains and losses from the net monetary position are recognized in other financial result within the consolidated income statement.
- › The previous year's figures were not restated upon translation of the local financial statements into the reporting currency.
- › The individual income statement positions were translated on the basis of the average spot exchange rate on the balance sheet date.

The financial statements of the Turkish subsidiary – previously based on the concept of historical acquisition and construction costs were restated as of January 1, 2022, according to the criteria of IAS 29. The price index used was the CPI 2003 consumer price index published by the Turkish Statistical Institute.

As at 31/12/2022, the price index stood at 1,128.5. The index changes in the course of the financial year 2022 are shown in the following table:

Date	Index	Change
31/12/2021	687.0	
31/1/2022	763.2	11.10%
28/2/2022	799.9	4.81%
31/3/2022	843.6	5.46%
30/4/2022	904.8	7.25%
31/5/2022	931.8	2.98%
30/6/2022	977.9	4.95%
31/7/2022	1,001.0	2.37%
31/8/2022	1,015.7	1.46%
30/9/2022	1,046.9	3.08%
31/10/2022	1,084.0	3.54%
30/11/2022	1,115.3	2.88%
31/12/2022	1,128.5	1.18%



8. Operating segments

The definition of operating segments and the presentation of segment results are based on the management approach required by IFRS 8 and follow internal reports to the Managing Board of Wienerberger AG as the chief operating decision maker, i.e. the body that decides on the allocation of resources to the individual segments.

The business activities of the Wienerberger Group are managed by business areas and regions. In the Wienerberger Building Solutions segment we report on our business in ceramic solutions for the building envelope and our concrete paver activities. The Wienerberger Piping Solutions segment comprises our European plastic pipe business and our ceramic pipe activities. Business in North America is reported jointly in the North America segment. The activities of the holding companies are allocated to the segments on the basis of the capital employed of the business areas.

Reports to the responsible chief operating decision maker include EBITDA as the key indicator for the management of the operating segments as well as revenues, EBIT, operating EBIT, interest result and profit/loss after tax. Accordingly, these indicators are also presented in the segment report. The split of these KPIs is based on the country of the individual companies' registered offices.

Investments for maintenance of the industrial base are shown as "maintenance capex", while investments in the expansion and optimization of plants, the development of new products, environmental and/or sustainability projects, and digitalization are summarized under "special capex".

The reconciliation of segment results to Group results considers only the elimination of revenues, income and expenses as well as receivables and liabilities arising between the operating segments.

Wienerberger does not generate more than 10 % of its revenues with any single external customer.



Operating Segments	Wienerberger Building Solutions		Wienerberger Piping Solutions		North America		Group eliminations		Wienerberger Group	
in TEUR	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External revenues	2,684,884	2,300,500	1,345,680	1,167,342	944,767	498,601			4,975,331	3,966,443
Intercompany revenues ¹⁾	1,358	4,770	374	239	0	0	-331	-145	1,401	4,864
Total revenues	2,686,242	2,305,270	1,346,054	1,167,581	944,767	498,601	-331	-145	4,976,732	3,971,307
EBITDA	662,039	477,583	134,070	127,531	230,140	89,140			1,026,249	694,254
Depreciation and amortization ²⁾	-170,244	-164,240	-75,253	-67,332	-41,170	-31,498			-286,667	-263,070
Operating EBIT ³⁾	491,795	313,343	58,817	60,199	188,970	57,642			739,582	431,184
Impairment charges/reversal of impairment charges to assets	-16,592	0	-1,797	0	0	0			-18,389	0
Impairment charges to goodwill	0	0	0	-10,747	0	0			0	-10,747
EBIT	475,203	313,343	57,020	49,452	188,970	57,642			721,193	420,437
Income from investments in associates and joint ventures	6,563	4,260	0	-121	0	-60			6,563	4,079
Investments in associates and joint ventures	20,420	18,166	0	0	0	0			20,420	18,166
Interest and similar expenses	-50,971	-42,925	-33,710	-23,506	-23,562	-9,590	59,748	35,678	-48,495	-40,343
Interest and similar income	32,135	23,016	17,851	10,380	15,996	4,658	-59,748	-35,678	6,234	2,376
Income taxes	-90,531	-52,698	-8,986	-7,864	-20,283	-1,641			-119,800	-62,203
Profit/ loss after tax	389,129	237,519	34,976	26,912	159,393	48,277	-14,952	-638	568,546	312,070
Liabilities	1,746,490	1,714,051	739,992	677,790	355,708	371,846	-93,355	-8,970	2,748,835	2,754,717
Capital employed	1,972,654	1,787,905	948,607	920,260	571,679	539,901			3,492,940	3,248,066
Assets	3,271,048	3,077,287	1,496,701	1,324,844	751,706	737,297	-320,198	-235,643	5,199,257	4,903,785
Non-current assets held for sale	18,918	1,568	4,213	9,767	0	0			23,131	11,335
Maintenance capex	82,510	78,755	28,878	30,460	23,334	11,143			134,722	120,358
Special capex	124,185	97,355	65,816	50,812	27,850	11,231			217,851	159,398
Ø Employees (in FTE)	12,734	12,427	3,944	3,606	2,400	1,591			19,078	17,624

Revenues	Wienerberger Building Solutions		Wienerberger Piping Solutions		North America		Wienerberger Group	
in TEUR	2022	2021	2022	2021	2022	2021	2022	2021
USA					864,903	459,439	864,903	459,439
Great Britain	483,627	406,565	116,567	53,195			600,194	459,760
Belgium	299,428	248,820	107,457	103,446			406,885	352,266
Netherlands	264,631	234,848	133,339	118,604			397,970	353,452
Germany	266,051	249,983	34,294	34,637			300,345	284,620
Austria	128,583	119,070	162,454	156,895			291,037	275,965
Poland	187,315	185,447	86,608	83,910			273,923	269,357
France	201,495	175,615	45,987	45,011			247,482	220,626
Czech Republic	195,899	156,175	34,144	31,270			230,043	187,445
Norway	13,720	12,100	152,850	133,152			166,570	145,252
Hungary	106,959	83,145	54,798	51,594			161,757	134,739
Sweden	10,798	11,544	121,576	104,980			132,374	116,524
Romania	112,514	96,635	8,971	8,544			121,485	105,179
Finland	14,095	13,063	89,039	77,865			103,134	90,928
Other countries	401,043	312,232	197,723	164,361	79,864	39,162	678,630	515,755
Wienerberger Group	2,686,158	2,305,242	1,345,807	1,167,464	944,767	498,601	4,976,732	3,971,307

1) Intercompany revenues represent the revenues between fully consolidated, at-equity consolidated and non-consolidated Group companies. // 2) Including special write-downs // 3) Adjusted for impairment charges to assets and goodwill and for reversal of impairment charges



Products in TEUR	EBITDA		Total investments	
	2022	2021	2022	2021
Wall	271,223	192,383	82,777	68,428
Facade	308,417	166,912	93,729	79,342
Roof	218,043	158,367	41,169	35,548
Pavers	21,538	23,059	9,705	9,686
Pipes	263,777	187,048	110,326	81,985
Other	-56,749	-33,515	14,867	4,767
Wienerberger Group	1,026,249	694,254	352,573	279,756

Notes to the Consolidated Income Statements

9.Revenues

In the financial year, consolidated revenues increased by 25 % to TEUR 4,976,732 (2021: TEUR 3,971,307), including a positive effect from currency translation in the amount of TEUR 20,255 (2021: TEUR 7,692). The negative foreign-exchange effects resulting from the devaluation of the Turkish lira, the Hungarian forint and the Polish zloty were overcompensated by the appreciation of the US Dollar and the Czech koruna. Group revenues include revenues in the amount of TEUR 9,546 (2021: TEUR 12,093) from construction contracts. Detailed information on revenues by region is provided in the presentation of operating segments on page 267.

The Wienerberger Group generates revenues from the sale of building material and infrastructure solutions for different fields of application. As a rule, revenue is recognized at the time of delivery and, consequently, the transfer of control of the product to the buyer, which usually corresponds to the time of delivery agreed upon in the delivery terms.

The goods are delivered to the customer by Wienerberger's own means of transport or by carriers contracted by Wienerberger. Transport revenues are recognized as part of external revenues, while transport-related expenses are recognized in selling expenses (in gross amounts).

Revenue is adjusted for expected returns and customer bonuses or discounts. Return obligations arise primarily from returnable packaging material, such as pallets. Expected returns are estimated mainly on the basis of historical data of recent years.

In international project business with LLLD (long-length large-diameter) pipes, revenue is recognized over a period of time. In the brick business as well, revenue from selected contracts is recognized over a period of time. This applies, for instance, to customer-specific production or so-called "heritage" products. However, the period of production for such contracts usually does not extend beyond a few days or weeks. Progress made in contract execution during the reporting period is calculated by means of output-oriented methods, for instance on the basis of the volume produced relative to the total volume ordered.

Apart from the sale of products and system solutions, Wienerberger also provides services to customers in the form of digitalized products and services. The current contributions to revenues from such services are immaterial.

The period of time between the transfer of goods and/or services to the buyer and the due date of the receivable is usually less than one year. Wienerberger therefore makes use of the practical expedient not to adjust revenues for a significant financing component. The time of settlement of the receivables depends on the agreed payment terms.



External revenues by reporting segment, broken down by the most important product categories, are as follows:

1-12/2022 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	973,808	0	31,436	1,005,244
Façade	821,526	0	684,605	1,506,131
Roof	762,185	0	0	762,185
Pavers	127,267	0	418	127,685
Pipes	-	1,345,629	228,278	1,573,907
Other	98	51	30	179
Total	2,684,884	1,345,680	944,767	4,975,331

1-12/2021 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Wienerberger Group
Wall	829,334	0	24,321	853,655
Façade	703,077	0	325,532	1,028,609
Roof	645,539	0	0	645,539
Pavers	122,442	0	562	123,004
Pipes	0	1,167,306	148,168	1,315,474
Other	108	36	18	162
Total	2,300,500	1,167,342	498,601	3,966,443

Information on future revenues from contractual performance obligations not yet fulfilled on the balance sheet date is not disclosed, as customer contracts are generally fulfilled within one year. For the same reason, Wienerberger makes use of the practical expedient not to capitalize contract costs, but to expense them as incurred.

10. Material expenses

The cost of goods sold, selling and administrative expenses and other operating income and expenses include expenses for materials, maintenance, merchandise and energy as follows:

in TEUR	2022	2021
Cost of materials	1,142,010	762,492
Maintenance expenses	199,753	149,500
Cost of merchandise	435,388	462,346
Cost of energy	372,927	279,934
Total	2,150,078	1,654,272

The reported expenses were reduced by a change in inventories of semi-finished and finished goods of TEUR 28,268 (2021: TEUR 48,046). This includes adjustments to the cost of goods sold resulting from the recognition of assets for the right to recover products returned from customers. The capitalization of own work and a proportional share of borrowing costs related to the construction of qualified assets amounted to TEUR 1,092 (2021: TEUR 2,054).

Cost of materials consist mainly of expenses for clay, sand, plastics, sawdust and other additives, as well as expenses for pallets and other packaging materials. Maintenance expenses comprise the use of maintenance materials and other low-value spare parts as well as third party services.



11. Depreciation, amortization, impairment charges and reversal of impairment charges

The cost of goods sold, selling and administrative expenses and other operating expenses for the reporting year include TEUR 276,257 (2021: TEUR 251,237) of scheduled depreciation and amortization as well as special write-downs in accordance with IAS 36 of TEUR 10,410 (2021: TEUR 11,833) from the mothballing of plants and/or lines. The impairment tests carried out according to IAS 36 (see Note 22. Non-current assets) resulted in impairment charges to property, plant and equipment and intangible assets in a total amount of TEUR 18,389 (2021: goodwill impairment of TEUR 10,747). There were no reversals of impairment charges in 2022 (2021: TEUR 0).

Depreciation, amortization, impairment charges, and reversal of impairment charges to intangible assets and property, plant and equipment are as follows:

in TEUR	2022	2021
Depreciation	276,257	251,237
Special write-downs	10,410	11,833
Depreciation and special write-downs	286,667	263,070
Impairment charges to property, plant and equipment and intangible assets	18,389	0
Impairment charges to goodwill	0	10,747
Impairment charges	18,389	10,747
Depreciation, amortization, impairment charges and reversal of impairment charges	305,056	273,817

12. Personnel expenses

The cost of goods sold, selling and administrative expenses include the following personnel expenses:

in TEUR	2022	2021
Wages	409,499	364,331
Salaries	412,210	357,156
Temporary personnel	63,370	41,418
Expenses for long-term incentive programs	3,947	3,991
Expenses for severance payments (incl. voluntary severance payments)	4,345	5,693
Expenses for pensions	23,754	15,179
Expenses for statutory social security and payroll-related taxes and contributions	175,718	153,268
Other employee benefits (incl. anniversary bonuses)	45,654	23,176
Personnel expenses	1,138,497	964,212

For the business year 2022, the employees of the Wienerberger Group were granted a vested right to receive a certain number of shares in Wienerberger AG under the Employee Share Participation Program. In the reporting year, vested rights to receive a total of 218,335 shares were granted to employees of the Wienerberger Group. According to IFRS 2, the program was accounted for as a cash-settled share-based payment. Based on the average share price of EUR 23.5 at the grant date, an expense of TEUR 5,131 was recognized in other employee benefits. The obligation of the Group arising from the Employee Share Participation Program was transferred to Mitarbeiterbeteiligungs-Privatstiftung on the basis of individual agreements with all participating Group companies against compensatory payment.

In the reporting year, the fixed remuneration component of the Managing Board members amounted to TEUR 2,325 (2021: TEUR 2,179). The variable components comprise a short-term (STI Short-Term Incentive) and a long-term remuneration component (LTI Long-Term Incentive). The final entitlement to the short-term remuneration component earned in 2022 amounted to TEUR 2,325 (2021: TEUR 2,095) and will be paid out in 2023.



Since 2021, the LTI program for the long-term remuneration component of the Managing Board has been structured as a share-based remuneration program with a performance period of three years and a holding period of another two years for the allocated shares. The fixed salary of the Managing Board member concerned in 2022 is taken as the base amount for 100% target attainment. Maximum target attainment is capped at 150% for Managing Board members and 175% for the CEO.

In accordance with the Remuneration Policy, the following target parameters apply for all members of the Managing Board:

- RTSR (relative total shareholder return), measured against the performance of the reference group
- Return on Capital Employed after tax (ROCE)
- ESG-target: Reduction of group-wide CO₂-emissions compared to 2020

For 2022, the relevant targets and degrees of target attainment for these three categories are as follows:

Target	Weighting	Minimum target performance	100 % Target	Maximum target performance	Actual target achievement 2022	
2022						
RTSR	33.0%	25.0%	50.0%	≥75%	50%	100%
ROCE	33.0%	11.0%	11.5%	12.0%	18,1%	>150 %
CO ₂ emission reduction	33.0%	10.0%	11.7%	12.3%	13,2%	>150 %
2021						
RTSR	33.0%	25.0%	50.0%	≥75%	50%	100%
ROCE	33.0%	10.2%	10.6%	11.1%	18,1%	>150 %
CO ₂ emission reduction	33.0%	5.0%	6.7%	7.2%	13,2%	>150 %

The LTI entitlement for 2022, determined on the basis of target attainment, amounts to TEUR 1,086 for the LTI 2021 and TEUR 1,086 for the LTI 2022 (2021: TEUR 1,122). Depending on the attainment of the targets of the three-year plan, the entitlement from the LTI 2022 will be paid out in 2024; the entitlement from the LTI 2022 will be paid out in 2025. In accordance with the agreement on the LTI, the latter will be paid out at the end of the term, with at least 50% granted in shares and not more than 50% in cash. As target attainment is determined on the basis of a cash amount and the exchange ratio for the share component will therefore be defined at a later date, the fair value of the cash amount was used as a basis for measurement. For the LTI 2021 and the LTI 2022, an expense including incidental costs of TEUR 2,701 before discounting was recognized in the reporting year (2021: TEUR 1,191), of which 50% was recognized in equity for the share portion and 50% as a provision for the cash portion.

In 2020, it was decided to grant a "Special LTI" for the CEO. PSUs (performance share units) can be earned during an observation period from 2021 to 2023. The criteria and the definition of the target parameters for the PSUs for the CEO are shown in the following table:

Parameters	Explanation
Amount granted	2,500 TEUR
Period of performance	3 years with a holding period of another 2 years (vesting period 5 years)
Weighting of targets (PSUs)	70 % EBITDA growth in accordance with the Strategy 2023 30 % ESG targets (see table below)
Basic prerequisite	Annual payout of at least 50 % of the short-term variable bonus (STI); if this target is not met, the allocation of PSUs will be reduced by one third each year
Target achievement	Target achievement is determined linearly between the defined upper and lower limits (PSUs)
Maximum entitlement	Maximum 300 % (max. EUR 4,500 TEUR)
Allocation	Once in 3 years (+ 2 years holding period)
Claw-back, malus, leaver regulation	The provisions of the 2020–2024 Remuneration Policy apply



ESG targets for 2023	Weighting	Minimum target performance	100 % Target	Maximum target performance
CO ₂ reduction compared to 2020	10.0%	>5 .0%	15.0%	≥ 30 %
Female employment				
Women in senior management	5.0%	< 10.0 %	15.0%	≥ 22,5 %
Women in white-collar positions	5.0%	< 20.0 %	30.0%	≥ 45,0 %
Increase of training hours per employee compared to 2020	10.0%	> 0.0 %	10.0%	≥ 25.0 %

Based on the increase in EBITDA achieved in 2022 and the projected EBITDA target attainment expected for the following years, as well as the expected attainment of the ESG targets, the expected value of the total PSUs of the Special LTI plan was determined. The number of PSUs was multiplied by the fair value per PSU and the percentage of the vesting period (20%).

Based on preliminarily determined values, an expense of TEUR 500, plus ancillary wage costs of TEUR 44, i.e. a total of TEUR 544 (non-discounted) was recorded in the reporting year and recognized as a provision.

For active members of the Managing Board during the reporting year, expenses for pensions in the form of contributions to pension plans (defined-contribution commitments) of TEUR 579 (2021: TEUR 864) were recorded. In the reporting year, a total of TEUR 1,062 (2021: TEUR 214) was recognized as an addition to the provision for severance pay. An amount of TEUR 130 was paid into pension plans (defined-contribution commitments) for former members of the Managing Board. Furthermore, an amount of TEUR 919 (2021: TEUR 877) was paid out to former members of the Managing Board and their surviving descendants. In 2022, Supervisory Board remuneration (paid out in 2023) amounted to a total of TEUR 963 (2021: TEUR 846 paid out in 2022).

13. Employees

The average number of employees is shown in the following table:

in FTE	2022	2021
Production	12,291	11,293
Sales	4,832	4,482
Administration	1,955	1,849
Total	19,078	17,624
Thereof apprentices	128	99

Changes compared to the previous year primarily result from changes in the scope of consolidation.



14. Other operating expenses

The cost of goods sold, selling and administrative expenses include the following other operating expenses:

in TEUR	2022	2021
Transportation costs for deliveries	309,068	247,626
Purchased services	166,290	127,358
Internal transport expenses	66,480	52,494
License and patent expenses	36,572	25,358
Non income-based taxes	34,858	25,994
Rental and leasing charges	17,499	13,362
Expenses for consumables, office materials and literature	16,171	9,025
Expenses for employee education and training	11,853	7,407
Expenses for environmental protection measures	10,067	12,729
Expenses for commissions	8,188	6,476
Expenses to economic associations	6,319	4,951
Expenses for expected credit losses	5,107	678
Losses on the disposal of fixed assets, excluding financial assets	2,221	2,319
Miscellaneous	74,856	141,364
Other operating expenses	765,549	677,141

The reconciliation of expenses under the total cost method to expenses under the cost of sales method is shown on page 274.

Purchased services predominantly include expenses for legal advisory and miscellaneous consulting services, advertising, insurance, business trips and travel as well as telecommunications. Expenses for the external auditor and members of the auditor's network totaled TEUR 2,775 (2021: TEUR 2,317) for the audit of the consolidated financial statements in the year under review, TEUR 131 (2021: TEUR 176) for other assurance services, TEUR 77 (2021: TEUR 10) for tax consulting services and TEUR 23 (2021: TEUR 111) for other services.

Miscellaneous other expenses consist mainly of expenses for customer claims and research and development. In 2022, research and development expenses amounted to TEUR 19,576 (2021: TEUR 17,004). In the prior year, this position included non-recurring items in connection with acquisitions, which primarily comprised the loss resulting from divestments of production plants and sales offices required by the authorities in the context of the acquisition of the Meridian Brick Group in the amount of TEUR 12,066 and acquisition-related costs of TEUR 11,331.

Expenses for rent and leases, shown under other operating expenses, comprise the following:

in TEUR	2022	2021
Expenses for short-term leases	7,857	5,818
Expenses for leases of low-value assets	2,356	1,922
Expenses for variable lease payments	405	247
Expenses for other lease payments	6,881	5,375
Rental and leasing charges	17,499	13,362

Expenses for other lease payments primarily comprise non-lease components of contracts for land and buildings and other rent and lease payments not within the scope of IFRS 16.



15. Other operating income

The cost of goods sold, selling and administrative expenses include the following other operating income:

in TEUR	2022	2021
Income from the disposal of tangible assets, excluding financial assets	31,788	17,221
Income from rental and lease contracts	5,930	3,961
Subsidies	1,476	1,990
Income from insurance claims	404	261
Miscellaneous	34,683	41,130
Other operating income	74,281	64,563

Other operating income includes revenue-like proceeds that are not part of the Wienerberger Group's principal business activity (TEUR 4,350), in the business year 2022, it also included proceeds from the release of obligations of prior periods (TEUR 1,929), and income from grid feed-ins of electricity (TEUR 946).

16. Reconciliation of results according to the cost of sales and total cost method

In the income statement prepared according to the cost of sales method, expenses are classified by functional area. Under the total cost method, the amounts are shown for each individual category of expenses and adjusted to reflect the increase or decrease in finished and semi-finished goods, own work capitalized and the proportional share of construction-related borrowing costs. The reconciliation of expenses under these two methods is explained below; changes in inventories and the capitalization of costs relating to the construction of qualified fixed assets are included in the cost of materials:

2022 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other Income	Other expenses	Total
Cost of goods sold	0	1,271,444	435,388	182,258	363,553	652,448	-3,431	127,774	3,029,434
Selling expenses	309,068	37,424	0	45,163	6,853	296,993	-4,687	168,204	859,018
Administrative expenses	0	3,535	0	26,127	1,725	189,056	-6,135	113,487	327,795
Other operating expenses	0	0	0	51,508	796	0	0	53,741	106,045
Other operating income	0	0	0	0	0	0	-60,028	-6,725	-66,753
	309,068	1,312,403	435,388	305,056	372,927	1,138,497	-74,281	456,481	4,255,539



2021 in TEUR	Cost of freight	Cost of materials	Cost of merchandise	Appreciation/ depreciation	Cost of energy	Personnel expenses	Other Income	Other expenses	Total
Cost of goods sold	0	935,425	460,897	168,986	272,649	545,334	-1,768	150,584	2,532,107
Selling expenses	247,626	21,233	1,449	37,614	5,251	255,202	-4,160	142,714	706,929
Administrative expenses	0	1,326	0	24,186	1,037	163,676	-5,844	91,108	275,489
Other operating expenses	0	0	0	43,031	997	0	0	48,872	92,900
Other operating income	0	0	0	0	0	0	-52,791	-3,764	-56,555
	247,626	957,984	462,346	273,817	279,934	964,212	-64,563	429,514	3,550,870

17. Interest and other financial result

In accordance with the classes of financial instruments defined by IFRS 9, the following items are included in the interest and other financial result:

2022 in TEUR	Total	Loans and receivables AC ¹⁾	FLAC ²⁾	FVtPL ³⁾	Derivatives
Interest and similar income	6,234	4,600			1,634
Interest and similar expenses	-42,683		-35,769		-6,914
Interest expense on lease liabilities	-4,535		-4,535		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	-1,277				
Interest result	-42,261	4,600	-40,304	0	-5,280
Income from third parties (dividends)	993			993	
Income from investments	993	0	0	993	0
Result from the disposal of investments	-1,534				
Valuation of derivative financial instruments	-2,546				-2,546
Impairment of financial instruments	-937	-24		-913	
write-ups on financial instruments	486	309		177	
Valuation of other investments	-2,756			-2,756	
Foreign exchange differences	10,734				
Net result	3,447	285	0	-3,492	-2,546
Bank charges	-5,171				
Other	3,582				
Other financial result	2,851	285	0	-2,499	-2,546
Total	-39,410	4,885	-40,304	-2,499	-7,826

1) loans and receivables carried at amortized cost // 2) financial liabilities carried at fair value through profit and loss // 3) financial assets carried at fair value through profit or loss

Impairments of loan receivables in the amount of TEUR 24 (2021: TEUR 161) and write-ups on financial instruments of TEUR 309 (2021: TEUR 120) are recognized in the financial result. The other financial result includes the gain on the net monetary position according to IAS 29 in the amount of TEUR 672 for the business year 2022.

The fair valuation of derivatives contributed a negative amount of TEUR 2,546 (2021: positive amount of TEUR 3,049) to the result of the period.



2021 in TEUR	Total	Loans and receivables AC ¹⁾	FLAC ²⁾	FVtPL ³⁾	Derivatives
Interest and similar income	2,376	2,295	0	0	81
Interest and similar expenses	-34,485	0	-32,559	0	-1,926
Interest expense on lease liabilities	-4,336		-4,336		
Net interest result from defined benefit pension and severance obligations as well as anniversary bonuses	-1,522				
Interest result	-37,967	2,295	-36,895	0	-1,845
Income from third parties (dividends)	1,167			1,167	
Income from investments	1,167	0	0	1,167	0
Result from the disposal of investments	38				
Valuation of derivative financial instruments	3,049				3,049
Impairment of investments in associates and joint ventures	-8,525				
Impairment of financial instruments	-254	-161	0	-93	
Write-ups on financial instruments	4,421	112		4,309	
Foreign exchange differences	-8,776				
Net result	-10,047	-49	0	4,216	3,049
Bank charges	-3,396				
Other financial result	-12,276	-49	0	5,383	3,049
Total	-50,243	2,246	-36,895	5,383	1,204

1) loans and receivables carried at amortized cost // 2) financial liabilities carried at fair value through profit and loss // 3) financial assets carried at fair value through profit or loss

18. Income taxes

This item includes income taxes paid and owed by Group companies as well as deferred tax charges.

in TEUR	2022	2021
Current tax expense	120,742	75,478
Deferred tax income	-942	-13,275
Income taxes	119,800	62,203



The difference between the Austrian corporate tax rate of 25 % applicable in 2022 (2021: 25 %) and the Group effective tax rate arises on account of the following factors:

in TEUR	2022	2021
Profit/loss before tax	688,346	374,273
Tax expense at tax rate of 25 %	-172,087	-93,568
Deviating foreign tax rates	6,192	13,707
Tax income and expense from prior periods	-2,142	2,402
Effect of non-taxable income from investments in associates and joint ventures	1,007	597
Change in unrecognized deferred tax assets	87,149	48,470
Permanent differences	-38,701	-32,517
Changes in tax rates	-1,218	-1,294
Effective tax expense	-119,800	-62,203
Effective tax rate in %	17.4%	16.6%

Details on deferred taxes are disclosed in Note 31. Deferred taxes.

19. Earnings per share, proposal for profit distribution

As of the balance sheet date, the number of shares issued totaled 111,732,343 (2021: 115,187,982). As of 31/12/2022, Wienerberger held 5,786,271 treasury shares (2021: 381,910), which were deducted for the calculation of earnings per share. In the reporting year, Wienerberger bought back 8,830,000 own shares for TEUR 213,445 TEUR. In the 2022 financial year, 3,455,639 shares with a nominal value of TEUR 3,456 and a premium of TEUR 87,107 were cancelled. Expenses for the cancelled shares amounted to TEUR 522. This resulted in a weighted average number of 109,883,711 shares outstanding as a basis for the calculation of earnings per share in 2022.

Number of shares	2022	2021
Outstanding	111,732,343	115,187,982
Treasury shares	5,756,271	381,910
Weighted average	109,883,711	113,104,817

Earnings per share of EUR 5.17 were calculated by dividing the profit/loss after tax attributable to equity holders of the parent company by the weighted average number of shares outstanding.

In accordance with the provisions of the Austrian Stock Corporation Act, the dividend payout is based on the separate financial statements of Wienerberger AG as of December 31, 2022, as prepared in accordance with Austrian accounting rules.

These financial statements show a net profit of EUR 104,269,196.62. The Managing Board proposes to the Annual General Meeting that a dividend of EUR 0.90 per share be paid out from the net profit of EUR 104,269,196.62 i.e. EUR 100,559,108.70 on the issued capital of EUR 111,732,343 less a proportional amount of EUR 5,180,643.90 attributable to treasury shares, i.e. EUR 95,378,464.80, and that the balance of EUR 8,890,731.82 be carried forward to new account.



Notes to the Consolidated Statement of Comprehensive Income

The statement of comprehensive income provides a reconciliation of profit/loss after tax to total comprehensive income as defined in IAS 1. Total comprehensive income comprises, in particular, currency translation differences, actuarial gains and losses from the measurement of defined benefit pension plans and similar post-employment benefits and the change in the hedging reserve. The components of comprehensive income are presented after tax.

In the reporting year, pre-tax currency translation differences of TEUR -16,571 (2021: TEUR 58,296) resulted primarily from the US dollar, the British pound, and the Russian ruble. Differences in the amount of TEUR 2,868 (2021: TEUR -9,232) previously recognized in the currency translation reserve were recycled to the Statement of Profit or Loss and primarily resulted from the redemption of Group loans in foreign currencies in the course of the reporting year.

The market valuation of hedging instruments increased the hedging reserve before deferred taxes by TEUR 38,816 (2021: decrease TEUR -12,334). Of this, a total of TEUR 8,359 (2021: TEUR -11,341 TEUR) was related to hedges of net investments in foreign operations and TEUR 30,457 (2021: TEUR -993) to hedges for future transactions (cash flow hedges).

Overall, market value changes of hedging instruments designated in hedges of net investments in foreign operations (net investment hedges) in the amount of TEUR -913 (2021: TEUR 518,) previously recognized in the hedging reserve, were recycled to the Income Statement in the reporting year. Ineffective components of TEUR -1,751 (2021: TEUR 876) were recognized in the Income Statement in the reporting year.

Deferred taxes in the total amount of TEUR -7,781 (2021: TEUR -4,698) were recognized in other comprehensive income. The following table shows the allocation of deferred taxes to the components of other comprehensive income:

in TEUR	2022	2021
deferred taxes on foreign exchange translation	2,141	-3,768
deferred taxes on changes in hedging reserves	-8,945	3,605
deferred taxes on actuarial gains/losses	-977	-4,535
Deferred taxes in other comprehensive income	-7,781	-4,698

In the reporting period, total comprehensive income after tax increased equity by TEUR 592,640 (2021: TEUR 385,000).



Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows of the Wienerberger Group shows the changes in cash and cash equivalents resulting from the inflow and outflow of funds during the reporting year. Cash and cash equivalents (liquid funds) include cash on hand and demand deposits with banks. Securities and current liabilities to banks do not qualify as cash and cash equivalents. The effects of company acquisitions are eliminated and shown separately under net payments made for the acquisition of companies. The amounts reported by foreign Group companies are generally translated at the average exchange rate for the year. Cash and cash equivalents are translated at the exchange rate in effect on the balance sheet date.

As of 31/12/2022, an amount of TEUR 17,912 was put up as cash collateral (2021: 0).

20. Cash flow from operating activities and from investing activities

Owing to the increase in net profit and despite the build-up of working capital, cash flow from operating activities increased to TEUR 723,804 (2021: TEUR 510,563). Working capital build-up was primarily due to the increase in inventories by the amount of TEUR 171,285 (2021: TEUR 95,875).

The acquisition of property, plant and equipment and intangible assets resulted in an outflow of funds totaling TEUR 352,573 (2021: TEUR 279,756). This amount includes TEUR 134,722 (2021: TEUR 120,358) in maintenance capex and TEUR 217,851 (2021: TEUR 159,398) for the expansion and optimization of plants, the development of new products, environmental and/or sustainability projects, and digitalization (special capex). A total of TEUR 52,447 (2021: TEUR 467,136) was paid out for acquisitions (M&A) and on investments in financial assets.

Non-cash additions to non-current assets in the amount of TEUR 80,315 (2021: TEUR 76,030) mainly result from the capitalization of right of use assets and obligations for site restorations.

Cash inflows from the sale of non-current assets amounted to TEUR 65,428 (2021: TEUR 52,932). In the year under review, net cash inflows from the sale of companies in the amount of TEUR 12,100 (2021: TEUR 8,909) resulted from the sale of our business activities in Switzerland in 2020.

The reconciliation of total investments in maintenance and special capex as well as payments made for the acquisitions of companies (M&A) of the Wienerberger Group is as follows:

in TEUR	2022	2021
Maintenance capex	134,722	120,358
Special capex	217,851	159,398
Payments made for investments in tangible and intangible assets	352,573	279,756
Net payments made for the acquisition of companies	52,447	464,730
Payments made for investments in financial assets	0	2,406
M&A capex	52,447	467,136
Total investments including financial assets	405,020	746,892



21. Cash flow from financing activities

The change in financial liabilities, as shown on the balance sheet, results from cash inflows and outflows recognized in cash flow from financing activities on the one hand, and from non-cash changes on the other hand:

in TEUR	Short-term financial liabilities	Long-term financial liabilities	Total financial liabilities
Balance on 1/1/2022	212,995	1,326,108	1,539,103
Cash inflows	116,732	15,434	132,166
Cash outflows	-220,016	0	-220,016
Repayment of lease liabilities	-63,627	0	-63,627
New and amended lease contracts	0	64,935	64,935
Change in scope of consolidation	1,135	5,270	6,405
Market value changes in derivatives	-2,543	0	-2,543
Currency translation differences and other effects	-4,072	-132	-4,204
Reclassifications	166,553	-166,553	0
Balance on 31/12/2022	207,157	1,245,062	1,452,219

in TEUR	Short-term finan- cial liabilities	Long-term finan- cial liabilities	Total financial liabilities
Balance on 1/1/2021	437,720	1,159,795	1,597,515
Cash inflows	321,676	253,458	575,134
Cash outflows	-460,797	0	-460,797
Repayment of lease liabilities	-49,793	0	-49,793
New and amended lease contracts	0	53,421	53,421
Change in scope of consolidation	32,144	24,216	56,360
Market value changes in derivatives	4,592	0	4,592
Repayment of hybrid capital (incl. hybrid coupon)	-225,362	0	-225,362
Currency translation differences and other effects	-14,448	2,482	-11,966
Reclassifications	167,263	-167,263	0
Balance on 31/12/2021	212,995	1,326,108	1,539,103



Notes to the Consolidated Balance Sheet

22. Non-current assets

The development of non-current assets is disclosed on page 286. The figures presented for foreign exchange rate changes represent amounts arising from the use of different exchange rates to translate the assets of foreign companies at the beginning of the year and at year-end.

Wienerberger defines its cash-generating units (CGUs) as plants, which are aggregated into groups of CGUs by division and region. Intangible assets with an indefinite useful life, such as goodwill and trademarks that are not amortized on a scheduled basis, are tested at least annually for indications of impairment in accordance with IAS 36. These intangible assets are allocated to groups of CGUs for the purpose of impairment testing. The carrying amounts are as follows:

in TEUR	Goodwill		Trademarks	
	2022	2021	2022	2021
Wienerberger Building Solutions	415,085	339,655	17,129	18,112
Building Solutions Central & East	59,603	58,634	11,622	12,402
Building Solutions North & West	355,482	281,021	5,507	5,710
Wienerberger Piping Solutions	73,973	148,666	47,098	44,550
WPS Eastern Europe	4,970	0	15,909	14,927
WPS Western Europe	20,182	20,207	18,889	17,323
WPS Northern Europe	25,029	23,941	11,478	11,478
WPS UK/ Ireland	23,792	104,518	822	822
North America	0	0	1,875	1,765
WBS NOAM	0	0	1,875	1,765
Wienerberger Group	489,059	488,321	66,102	64,427

Other intangible assets consist primarily of acquired customer bases totaling TEUR 154,377 (2021: TEUR 163,562), acquired trademarks with an indefinite useful life in the amount of TEUR 66,102 (2021: TEUR 64,427), CO₂ certificates, patents and licenses. Internally generated intangible assets of TEUR 1,261 (2021: TEUR 1,504) were capitalized during the reporting year.

Wienerberger monitors its goodwill on the basis of 9 CGU groups.

In the Wienerberger Building Solutions segment, Wienerberger's brick business is characterized by plants serving entire regions instead of individual countries. In particular, the production and the product portfolio of roof tiles and facing bricks are optimized for an entire region. This also applies to the optimization of the network of clay block plants, although for reasons of efficiency, deliveries of these products are generally made over shorter distances than in the roof tile and facing brick business. In any event, plants close to the German and French borders can also cover most of the Benelux region. Due to the interdependencies in the Western European region, goodwill is managed at regional level in the CGU group of Building Solutions North & West. The CGU group of Bricks and Roof Eastern Europe is characterized by the region's cross-border business and increasing integration of the brick and roof tile business under a single management for both the brick and roof tile segments during the reporting period.

The Wienerberger Piping Solutions (WPS) segment comprises the CGU groups of WPS Eastern Europe, WPS Western Europe, WPS UK/ Ireland, and WPS Northern Europe. The business activities of FloPlast and Cork Plastics, two companies acquired in 2021, resulted in goodwill in the amount of TEUR 102,985, which was allocated in 2022 between the CGU groups of Building Solutions North & West and Piping Solutions UK/ Ireland according to their relative shares in business activity.

In the North America segment, the CGU groups are distinguished by product group: Bricks North America comprises the entire brick business, and WPS USA comprises the entire American plastic piping business.



The carrying amounts of the goodwill and operating assets allocated to the CGU groups are compared with their recoverable amounts and, if necessary, written down to the lower value in use or, as the case may be, the fair value less cost of disposal. In principle, the recoverability of the tested assets of the CGU groups is determined on the basis of their value in use. If the value in use is lower than the book value of the tested assets, the fair value less cost of disposal is determined additionally. The value in use of a CGU group is generally determined using an income approach by discounting the expected free cash flows at the weighted average cost of capital after tax (WACC) to arrive at the present value.

For the determination of the value in use, the post-tax weighted average cost of capital is derived from external sources on the basis of generally accepted financial methods. The currency translation of the values in use is performed at the exchange rate on the day of the impairment test. An average weighted post-tax WACC of 7.77 % (2021: 6.36 %) was used for impairment testing in the Wienerberger Group, with specific cost of capital rates applied to all markets outside the euro zone. In accordance with IAS 36, all cost of capital rates are interpolated to their pre-tax value for disclosure.



For the purpose of impairment testing, the following pre-tax cost of capital rates and growth rates were used:

in %	Pre-tax WACC	Growth rate
	2022	2022
Wienerberger Building Solutions		
Building Solutions Central & East	12.25	2.63
Building Solutions North & West	10.88	1.18
Building Solutions Emerging Markets	15.75	6.54
Wienerberger Piping Solutions		
WPS Eastern Europe	13.87	2.24
WPS Western Europe	10.86	1.31
WPS Northern Europe	10.12	1.84
WPS UK/ Ireland	10.65	1.98
Building Materials North America		
WBS NOAM	12.30	1.51
WPS USA	13.70	1.44
Wienerberger Group	11.81	1.84

In 2021, the following pre-tax cost of capital rates and growth rates were used, based on the then relevant CGU structure:

in %	Pre-tax WACC	Growth rate
	2021	2021
Wienerberger Building Solutions		
Bricks and Roof Eastern Europe	10.28	3.67
Bricks Russia	13.85	2.06
Bricks and Roof Western Europe	9.47	1.99
Bricks Finland and Baltics	8.75	2.00
Bricks Italy	11.45	1.63
Bricks India	14.51	6.83
Pavers Semmelrock	10.48	3.80
Wienerberger Piping Solutions		
Pipes Pipelife East	11.42	3.16
Pipes Pipelife West	8.99	2.36
Pipes Steinzeug Group	9.49	1.88
North America		
Bricks North America	9.21	2.37
Pipes North America	9.29	2.39
Wienerberger Group	9.73	2.62



The expectation of future cash surpluses is based on the latest internal plans prepared by the top management and approved by the Managing Board and the Supervisory Board for the period from 2023-2026. These mid-term plans do not include the earnings potential of future strategic growth investments, such as potential acquisitions. Planned expansion investments that concern individual production lines and the related contributions to a CGU's results are eliminated for the determination of the value in use.

The quality of these mid-term plans is reviewed on a regular basis by way of a variance analysis comparing the projected data with actual results, which are then incorporated into the subsequent planning process in the form of corrections. The calculation is based on four detailed planning periods (2023-2026); based on the going-concern assumption, the surplus cash inflows in the following planning period are assumed to be sustainable over the long term and used as the basis for determining the present value of the terminal value. These perpetual cash flows are based on the assumption of country-specific growth rates derived from an external source (IMF, October 2022, World Economic Outlook Database). In the interest of long-term growth, profits are deemed to be fully retained to be used in future for the provision of production capacities. Wienerberger tests its assets for impairment at least annually in connection with the corporate planning process. If interim forecasts or analyses indicate a significant negative variance from the original plan, the cash-generating unit concerned is again tested for impairment. In such cases, the impairment tests are recalculated on the basis of updated planning data and extended by a sensitivity analysis to include stress tests. Similarly, impairment tests are updated in the event that any external factors change significantly.

Assumptions regarding the future development of local markets, sales and prices constitute the decisive factors for determining the value in use. Therefore, the value in use is determined on the basis of forecasts published by statistical agencies and international organizations as well as management's experience. The estimates for cost structures are based primarily on the extrapolation of historical values and incorporate macroeconomic forecasts for the most important production factors, such as energy prices, plastic granulate prices, and wage and salary trends.

As a consequence of the outbreak of the Russia-Ukraine conflict in the first quarter of 2022, the operational brick business in Russia and the operationally dependent façade business in Estonia had to be subjected to an impairment test. In the light of decreased long-term earnings expectations and due to increasing costs of capital, an impairment charge to non-current assets of the Wienerberger Building Solutions segment in the amount of TEUR 16,592 had to be recorded. Applying a weighted average cost of capital (WACC) after tax of 22.65% for Russia and 7.38% for Estonia, a value in use of approximately TEUR 6,012 was determined for the CGUs concerned. Based on 9.22% WACC after tax, the Northern European piping business, which is part of the Wienerberger Piping Solutions segment, was written down by TEUR 1,797 in the fourth quarter of 2022.

Non-current assets include land with a value of TEUR 413,009 (2021: TEUR 411,575). As at the balance sheet date, commitments for the purchase of property, plant and equipment amounted to TEUR 57,082 (2021: TEUR 52,279).

The balance sheet item investment property includes real estate and buildings with a carrying amount of TEUR 37,921 (2021: TEUR 43,905), that are not used in current business operations. These assets are scheduled for sale over the medium to long term and are therefore classified as investment property. The fair values of these assets derived from comparable transactions are measured at level 2 in the fair value hierarchy according to IFRS 13 and are estimated at TEUR 86,078 (2021: TEUR 90,945). The fair value was determined mainly on the basis of purchase offers from third parties for the properties concerned or on the basis of prices observable in the market for similar properties. In 2022, these properties generated rental and other income of TEUR 1,423 (2021: TEUR 1,532). Expenses for investment property that generated rental income in the year under review amounted to TEUR 276 (2021: TEUR 100); expenses in the amount of TEUR 3,076 (2021: TEUR 2,011) were incurred for investment property that did not generate rental income. Investment property with a carrying amount of TEUR 9,629 (2021: TEUR 5,415) was sold during the reporting year.



Leases

The change in rights of use for leases, reported as part of property, plant and equipment, is recognized as follows:

in TEUR	1.1.2022	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Deprecia- tion	Disposals	31/12/2022
Land and buildings	153,058	-866	1,616	30,514	19,864	6,910	157,548
Machinery and equipment	7,118	-158	57	1,315	2,936	522	4,874
Fixtures, fittings, tools and equipment	75,114	167	108	41,027	38,961	543	76,914
Right-of-use asset leases	235,290	-857	1,781	72,856	61,761	7,975	239,336

in TEUR	1.1.2021	Foreign exchange incr./decr.	Change in scope of consolidation	Additions	Deprecia- tion	Disposals	31/12/2021
Land and buildings	141,682	1,287	7,004	26,642	18,417	5,140	153,058
Machinery and equipment	6,860	65	236	3,099	3,052	90	7,118
Fixtures, fittings, tools and equipment	60,255	1,059	16,095	32,664	29,386	5,573	75,114
Right-of-use asset leases	208,797	2,411	23,335	62,405	50,855	10,803	235,290

Wienerberger primarily rents vehicles, office space, storage facilities, production sites and showrooms. Lease contracts are negotiated individually under different terms and conditions. Plant and equipment include rented vehicles.

In the interest of operational flexibility, contracts for real estate, in particular, frequently include extension and termination options. In individual cases, unlimited contract terms with termination options are agreed upon. In principle, long contract terms are assumed, with due consideration given to contractual and economic factors. In the majority of cases, the exercise of extension options and/or the non-exercise of termination rights are assumed. The group's material lease contracts do not contain purchase options.

Details on lease liabilities, including an analysis of maturities, are disclosed in Note 32. Liabilities. For a break-down of other expenses for rent and leases, see Note 14. Other operating expenses.

Asset table in TEUR	Acquisition or construction costs						Depreciation and amortization								
	Balance on 1/1/2022	Change in scope of con- solidation	Foreign exchange incr./decr	Additions	Disposals	Transfers	Balance on 31/12/2022	Balance on 1/1/2022	Foreign exchange incr./decr	Depreciation/ amortization	Special write- downs and Impairments	Disposals	Transfers	Balance on 31/12/2022	Carrying amount 31/12/2022
Goodwill ¹⁾	923,133	10,310	1,862	0	9,540	267	926,032	434,812	11,701	0	0	9,540	0	436,973	489,059
Other intangible assets	590,168	15,187	−8,947	26,326	6,818	−7,918	607,998	221,118	−3,834	39,532	5,308	2,804	−9,033	250,287	357,711
Intangible assets and goodwill	1,513,301	25,497	−7,085	26,326	16,358	−7,651	1,534,030	655,930	7,867	39,532	5,308	12,344	−9,033	687,260	846,770
Land and buildings	1,672,642	15,516	2,640	80,889	17,747	−12,677	1,741,263	667,081	967	52,104	12,319	4,438	−19,109	708,924	1,032,339
Machinery and equipment	2,835,844	8,670	8,796	78,171	75,873	51,128	2,906,736	2,025,195	8,929	129,079	8,379	76,498	−46,433	2,048,651	858,085
Fixtures, fittings, tools and equipment	296,538	662	456	51,514	15,901	−433	332,836	172,416	−153	54,211	1,639	15,325	−5,262	207,526	125,310
Assets under construction	177,708	2,959	−3,343	195,252	821	−117,167	254,588	1,887	−90	0	899	225	−1,034	1,437	253,151
Property, plant and equipment	4,982,732	27,807	8,549	405,826	110,342	−79,149	5,235,423	2,866,579	9,653	235,394	23,236	96,486	−71,838	2,966,538	2,268,885
Investment property	89,824	36	161	736	16,730	4,619	78,646	45,919	−91	1,331	255	7,100	411	40,725	37,921
Intangible assets and property, plant and equipment	6,585,857	53,340	1,625	432,888	143,430	−82,181	6,848,099	3,568,428	17,429	276,257	28,799	115,930	−80,460	3,694,523	3,153,576

1) Disposal of previously impaired goodwill of IGM Ciglana d.o.o. (deconsolidated in 2022)

Asset table in TEUR	Acquisition or construction costs						Depreciation and amortization								
	Balance on 1/1/2021	Change in scope of con- solidation	Foreign exchange incr./decr	Additions	Depreciation	Transfers	Balance on 31/12/2021	Balance on 1/1/2021	Foreign exchange incr./decr	Depreciation/ amortization	Special write- downs and Impairments	Disposals	Transfers	Balance on 31/12/2021	Carrying amount 31/12/2021
Goodwill	798,311	96,518	28,304	0	0	0	923,133	403,390	20,675	0	10,747	0	0	434,812	488,321
Other intangible assets	442,748	126,703	10,013	14,591	5,925	2,038	590,168	192,099	4,221	31,814	814	4,946	−2,884	221,118	369,050
Intangible assets and goodwill	1,241,059	223,221	38,317	14,591	5,925	2,038	1,513,301	595,489	24,896	31,814	11,561	4,946	−2,884	655,930	857,371
Land and buildings	1,451,249	159,311	23,701	64,779	32,545	6,147	1,672,642	628,122	8,139	52,810	4,499	18,687	−7,802	667,081	1,005,561
Machinery and equipment	2,720,022	75,487	45,847	96,444	143,721	41,765	2,835,844	2,001,988	33,282	121,979	5,454	129,856	−7,652	2,025,195	810,649
Fixtures, fittings, tools and equipment	252,370	18,323	3,977	46,737	23,740	−1,129	296,538	146,444	1,981	42,284	545	17,148	−1,690	172,416	124,122
Assets under construction	109,943	6,756	338	132,760	605	−71,484	177,708	1,511	402	0	521	691	144	1,887	175,821
Property, plant and equipment	4,533,584	259,877	73,863	340,720	200,611	−24,701	4,982,732	2,778,065	43,804	217,073	11,019	166,382	−17,000	2,866,579	2,116,153
Investment property	103,518	0	1,532	475	13,203	−2,498	89,824	53,351	345	2,350	0	7,788	−2,339	45,919	43,905
Intangible assets and property, plant and equipment	5,878,161	483,098	113,712	355,786	219,739	−25,161	6,585,857	3,426,905	69,045	251,237	22,580	179,116	−22,223	3,568,428	3,017,429



23. Investments

Investments in associates and joint ventures as well as other investments comprise the following:

in TEUR	2022	2021
Investments in associates and joint ventures	20,420	18,166
Investments in subsidiaries	58	58
Other investments	16,297	17,261
Financial Investments	36,775	35,485

24. Inventories

in TEUR	2022	2021
Raw materials and consumables	258,614	223,700
Semi-finished goods	139,873	121,776
Finished goods and merchandise	631,613	532,196
Prepayments	6,111	5,629
Inventories	1,036,211	883,301

Pallets are included in raw materials and consumables. Clay purchased from third parties is presented together with clay extracted from the Group's own pits under semi-finished goods. Write-downs of inventories of TEUR 9,857 (2021: TEUR 9,947) were recognized for products with a net realizable value (selling price less selling and administrative expenses) lower than their acquisition or production costs.

25. Receivables, securities and other financial assets

Loans and receivables

in TEUR	2022			2021		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Trade receivables from third parties	373,645	373,645	0	343,006	343,006	0
Trade receivables from subsidiaries	869	869	0	410	410	0
Trade receivables	374,514	374,514	0	343,416	343,416	0
Financial receivables from subsidiaries	21,145	21,145	0	21,425	21,425	0
Receivables arising from loans	6,483	6,483	0	8,086	8,086	0
Loans granted	27,628	27,628	0	29,511	29,511	0
Loans and receivables AC ¹⁾	402,142	402,142	0	372,927	372,927	0

1) financial assets at amortized cost



Trade receivables include contract assets of TEUR 1,603 (2021: TEUR 1,165) from customer-specific production orders. They represent a conditional right to consideration for complete performance of the contractual obligations by Wienerberger.

Loans and receivables are recognized at amortized cost and adjusted to reflect weighted expected credit loss. Valuation allowances are deducted directly from receivables and other assets. In accordance with the derecognition criteria of IFRS 9, receivables sold (factoring) are derecognized. As of December 31, 2022, trade receivables in the amount of TEUR 124,954 (2021: TEUR 115,042) had been sold to third parties. Trade receivables in a total amount of TEUR 2,271 (2021: TEUR 1,520) are secured by notes payable.

Financial receivables from subsidiaries result from loans granted to companies consolidated at equity and other investments.

Financial assets measured at fair value through profit or loss in a total amount of TEUR 22,453 (2021: TEUR 25,352) include securities of TEUR 5,554 (2021: TEUR 6,285) recognized in current assets, derivatives of TEUR 602 (2021: TEUR 1,748) and other investments recognized in non-current assets amounting to TEUR 16,355 (2021: TEUR 17,319).

Financial assets at fair value through profit or loss

2022 in TEUR	Carrying amount	Market value	Market value changes recog. in financial result	Ø Effective interest rate in %
Shares in funds	5,146	5,146	153	0.22
Stock	76	76	0	–
Other	332	332	0	–
Securities	5,554	5,554	153	

2021 in TEUR	Carrying amount	Market value	Market value changes recog. in financial result	Ø Effective interest rate in %
Shares in funds	5,881	5,881	78	0.19
Stock	64	64	0	–
Other	340	340	0	–
Securities	6,285	6,285	78	

Securities are held for short-term investment of excess liquidity and to cover pension and severance obligations; they primarily include shares in funds and stock, which are accounted for at fair value. Market value changes are recognized in financial result. As of the balance sheet date, no debt instruments measured at fair value through other comprehensive income were held.



Derivatives

in TEUR	2022		2021	
	Carrying amount	Market value	Carrying amount	Market value
Derivatives designated in cash flow hedges	31,086	31,086	1,893	1,893
Derivatives designated in net investment hedges	8,026	8,026	876	876
Other derivatives	602	602	1,748	1,748
Derivatives with positive market value	39,714	39,714	4,517	4,517

The balance sheet item of securities and other financial assets can be broken down as follows:

in TEUR	2022	2021
Loans granted	27,628	29,511
Securities	5,554	6,285
Derivatives hedge accounting	39,112	2,769
Other derivatives	602	1,748
Securities and other financial assets	72,896	40,313

26. Other receivables

in TEUR	2022			2021		
	Total	Remaining term < 1 year	Remaining term > 1 year	Total	Remaining term < 1 year	Remaining term > 1 year
Receivables from current taxes	12,488	12,488	0	10,718	10,718	0
Right-of-return asset	26,551	26,551	0	14,461	14,461	0
Prepaid expenses and deferred charges	16,586	13,928	2,658	14,471	13,576	895
Miscellaneous receivables	84,744	80,386	4,358	94,422	90,526	3,896
Other receivables	127,881	120,865	7,016	123,354	118,563	4,791

Assets for the right to recover products from customers (right-of-return assets) result from the accounting of rights of return, such as returnable pallets. The remaining other receivables mainly include receivables from tax authorities and social security institutions.



27. Non-current assets held for sale

In the second quarter of 2022, Wienerberger announced the sale of its Russian activities in a management buyout as a consequence of the Russia-Ukraine conflict. The related assets and liabilities were recognized as a disposal group according to IFRS 5. The negotiations with the buyer were finalized in the fourth quarter. The closing of the transaction, which is subject to approval by the responsible authorities, is expected for the first half of 2023. "Assets held for sale" are defined as assets available for immediate sale in their current condition, the sale of which is highly probable to occur. Liabilities to be disposed of together with the assets in a single transaction are part of the disposal group.

As of 31/12/2022, "non-current assets held for sale" primarily comprise inventories and cash and cash equivalents in the amount of TEUR 23,131. The amount of TEUR 11,335 shown in the previous year exclusively comprised the disposal group in France in the Piping Solutions segment (see also Note 3). Liabilities associated with assets held for sale in the amount of TEUR 14,760 (2021: TEUR 0) as of 31/12/2022 primarily comprise other liabilities, provisions and intercompany liabilities. Reserves included in equity amounting to TEUR -40,059, primarily resulting from currency translation and long-term Group financing, which are linked to the disposal group.

28. Group Equity

The development of Group equity in 2022 and 2021 is shown on page 258.

The 153rd Annual General Meeting of Wienerberger AG on May 3, 2022, authorized the Managing Board for a period of 30 months to buy back own shares of up to 8% of the share capital at a price of no less than one euro and no more than twice the stock exchange price of May 3, 2022 per share. Moreover, the Managing Board was authorized, subject to approval by the Supervisory Board, but without further resolution by the Annual General Meeting, to cancel own shares (authorization valid for a period of 30 months) or to resolve to sell and/or use them other than on the stock exchange or by public offering (authorization valid for a period of five years). This authorization replaces the authorization to buy back or sell own shares granted by the Annual General Meeting on May 5, 2020.

The 150th Annual General Meeting held on May 6, 2019, approved authorized capital of EUR 17,452,724. This authorization covers an ordinary capital increase by contributions in cash or in kind within a period of five years, subject to approval by the Supervisory Board. The share capital can be increased by a maximum of EUR 17,452,724 through the issue of up to 17,452,724 new bearer shares with the possibility of excluding subscription rights for fractional amounts. The capital increase can be carried out in several tranches, if necessary. The type of shares, the issue price and the issue conditions are to be determined by the Managing Board, subject to approval by the Supervisory Board. In principle, the shareholders have statutory subscription rights. However, the Managing Board was authorized to exclude the shareholders' statutory subscription rights in two special cases: first, for a capital increase in case of a contribution in kind for the granting of shares as currency for the acquisition of companies, parts of companies or participations in companies, and second, for multiple allotments in connection with the placement of new shares by the company (greenshoe). The number of shares issued subject to the exclusion of subscription rights must not exceed 5,817,574.

Wienerberger's group equity amounted to TEUR 2,450,422 as of December 31, 2022, compared to TEUR 2,149,068 in the previous year. Profit after tax increased equity by TEUR 568,546 (2021: TEUR 312,070). The other components of comprehensive income led to an increase in equity by a further TEUR 24,094 (2021: increase of TEUR 72,930) net of deferred taxes. In addition, the change of TEUR 1,351 in the stock option plan was recognized in capital reserves (see detail note 12) and retained earnings were increased by the effect of the first-time application of IAS 29 in the amount of TEUR 4,679. As of December 31, 2022, the share of equity in total assets amounted to 47.1 % (2021: 43.8 %), and net debt decreased from TEUR 1,134,483 in 2021 to TEUR 1,079,292.

At the end of the financial year, total non-controlling interests amounted to TEUR 1,571 (2021: TEUR 900).

The share capital of Wienerberger AG totaled EUR 111,732,343 as of December 31, 2022, and is divided into 111,732,343 no-par value shares that all carry the same rights. All shares are fully paid in. A dividend of EUR 0.75 per share was paid out in 2022, i.e. TEUR 86,391 less TEUR 2,520 for treasury shares (pro rata), or TEUR 83,871 in total.



In the reporting year, Wienerberger bought 8,830,000 own shares for a price of TEUR 213,445, including transaction costs of TEUR 1,354. On October 20, 2022, the Managing Board resolved to cancel 3,455,639 shares with a nominal value of TEUR 3,456 and a premium of TEUR 87,107. Transaction costs for the cancellation of shares amounted to TEUR 522.

Retained earnings of TEUR 1,677,900 (2021: TEUR 1,189,703) include the retained earnings of Wienerberger AG and all retained earnings of subsidiaries not eliminated during capital consolidation. Group results for 2022, excluding the share of profit or loss attributable to non-controlling interests, are included in retained earnings.

Other reserves include the components of other comprehensive income. These include actuarial gains and losses from pension and severance pay plans, which are not subsequently reclassified to profit or loss. The remaining other reserves include those components of other comprehensive income which, as a matter of principle, must be reclassified to profit or loss. The currency translation reserve includes all differences from foreign currency translation after tax that are recognized in other comprehensive income, with the differences from companies reported at equity presented separately. The hedging reserve includes market value changes in the value of hedging instruments that are recognized in other comprehensive income. These hedge accounting transactions comprise hedges of net investments in foreign operations (net investment hedges) as well as hedges for foreign currency transactions (cash flow hedges).

Change of control clauses are included in the employment contracts of the members of the Managing Board, the terms and conditions of the 2018 and 2020 corporate bonds, and in various syndicated term loans and other loans.

29. Provisions

in TEUR	1/1/2022	Foreign exchange incr./decr.	Change in scope of consolidation	Reversal	Use	Addition	31/12/2022
Provisions for warranties	27,744	-390	22	1,716	4,761	11,131	32,030
Provisions for site restoration	58,277	1,114	0	6,598	17,215	14,196	49,774
Miscellaneous non-current provisions	12,649	1	-3	421	4,208	13,443	21,461
Other non-current provisions	98,670	725	19	8,735	26,184	38,769	103,264
Taxes provision	2,027	24	0	137	338	167	1,743
Other current provisions	42,539	-72	288	7,015	42,258	65,576	59,058
Current provisions	44,566	-48	288	7,152	42,596	65,743	60,801
Other provisions	143,236	677	307	15,887	68,780	104,512	164,065

Miscellaneous non-current provisions primarily include other non-current employee-related and environmental provisions. Other current provisions mostly include restructuring provisions as well as other current employee-related provisions.



30. Employee benefits

in TEUR	2022	2021
Provisions for severance payments	22,041	26,762
Provisions for pensions	41,597	61,625
Provisions for anniversary bonuses	10,231	11,787
Employee-related provisions	73,869	100,174

The relevant accounting and valuation principles are described on page 313.

The company is exposed to various risks in connection with the plans for post-employment benefits. In addition to general actuarial risks, such as an increase in the life expectancy for retirement benefits and interest rate risks, the company is also exposed to foreign exchange risks or investment risks on the capital markets.

Pension Obligations

Wienerberger has made pension commitments to employees in the Netherlands, Great Britain, Scandinavia, the USA, Canada, Germany and Belgium as well as to selected managers in Austria. Future pension agreements are granted to employees in the form of defined contribution plans. Defined benefit pension agreements have been regularly converted to defined contribution pension models through the transfer of previously earned claims to pension funds. Wienerberger has also made a number of defined pension commitments, mainly to former managers, based on unfunded pension plans; the length of service forms the basis for retirement benefits under these plans. The employees of General Shale Brick Inc. (USA) have a funded defined benefit pension plan as well as an unfunded (retirement) health insurance scheme. Entitlements earned by Dutch employees are satisfied through a defined contribution pension plan, primarily through contributions to an industry-wide pension fund in the Netherlands. In Great Britain, a defined contribution pension plan covers all employees. The companies of thebrickbusiness, acquired in 2004, as well as Baggeridge, acquired in 2007, had defined benefit models; a provision was recognized to reflect these obligations. There are also defined benefit pension plans for the employees of the Steinzeug-Keramo Group. The Pipelife Group has defined benefit pension plans for individual members of the management in the Netherlands, Belgium, Austria and Germany.



The calculations are based on the following weighted average parameters:

Parameters	2022	2021
Discount rate	4.5%	0.6%
Expected salary increases	0.2%	0.2%
Expected pension increases	1.1%	1.5%
Average employee turnover	0.2%	0.0%
Mortality tables		
Austria	AVÖ 2018-P ANG	AVÖ 2018-P ANG
Germany	Heubeck 2018 G	Heubeck 2018 G
USA	Pri.A-2012 Fully Generational with Scale MP 2021	Pri.A-2012 Fully Generational with Scale MP 2021
Great Britain	105% of SAPS "S2" Combined	105% of SAPS "S2" Combined
Belgium	MR-3/FR-3	MR-3/FR-3
Sweden	DUS14/DUS21	DUS14
Canada	CPM Improvement Scale B	CPM Improvement Scale B
Netherlands	AG Prognosetafel 2020	AG Prognosetafel 2020

The country-specific discount rate is based on the average return on first-rate, fixed-interest industrial bonds with a term to maturity that reflects the average maturity of the obligations to employees.

Total pension expenses for 2022 cover both defined contribution and defined benefit pension plans. The current and past service cost and the effects of plan settlements are included operating result and the net interest effect in financial result.

in TEUR	2022	2021
Defined contribution plans	20,998	16,045
Defined benefit plans		
Service cost for defined benefit plans	2,756	2,973
Past service cost	0	-3,839
Net interest cost	912	1,258
Expenses for defined benefit plans	3,668	392
Total expenses for pensions	24,666	16,437

The gross pension obligations can be reconciled to net obligations as shown on the balance sheet by deducting the fair value of plan assets. Of the total net obligations, TEUR 6,870 (2021: TEUR 9,136) is related to the US (retirement) health insurance program. A change in the cost trend for medical services would not have any material impact on the interest cost or the defined benefit pension obligation.



The components of pension obligations and their coverage by plan assets are shown below:

in TEUR	Defined benefit pension obligations		Fair Value of plan assets	
	2022	2021	2022	2021
Value as of 1 / 1	336,707	352,269	275,082	253,954
Change in scope of consolidation	0	55	321	0
Reclassifications	369	0		
Foreign exchange increase/decrease	1,412	16,404	-1,099	13,136
Service cost for defined benefit pension plans	2,756	2,973	0	0
Interest cost	5,780	4,798	0	0
Expected income from plan assets	0	0	4,873	3,540
Effects of plan curtailments	0			
Actuarial gains/losses	-93,605	-21,141	-87,895	10,567
Past service cost	0	-3,839	0	0
Payments to retirees	-15,029	-14,583	-15,149	-14,583
Payments received from employees	143	185	143	185
Settlements	305	0	287	
Payments received from employers	-1,682	-414	18,996	8,283
Value as of 31 / 12	237,156	336,707	195,559	275,082
Fair value of plan assets	-195,559	-275,082		
Net pension obligations	41,597	61,625		
Actuarial gains/losses resulting from pension plans				
Actuarial gains/losses from changes in demographic assumptions	-2,218	-2,836		
Actuarial gains/losses from changes in financial assumptions	-64,123	-5,992		
Actuarial gains/losses from experience adjustments	-27,264	-12,313		
Deviation of return on plan assets	87,895	-10,567		
Actuarial gains (-)/losses (+) in other comprehensive income	-5,710	-31,708		

Pension plan assets consist mainly of the assets of funded defined benefit pension plans in the USA, Great Britain and Pipelife's plan in the Netherlands. The plan assets are invested in shares (31 %; 2021: 45 %), bonds (37 %; 2021: 25 %) and other assets (32 %; 2021: 30 %).



The sensitivity of the gross pension obligation was tested by modifying the major actuarial assumptions individually while keeping all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

	Change of parameter in basis points (bp)/years	Increase of parameter in TEUR	Decrease of parameter in TEUR
Sensitivity of the gross pension obligation			
Discount rate	+/- 25 BP	-5,941	6,304
Salary increases	+/- 100 BP	316	-219
Employee turnover	+/- 100 BP	-69	70
life expectancy	+/- 1 J	7,020	-7,048

The payments to defined benefit pension plans are expected to total TEUR 9,641 in 2023. As of December 31, 2022, the weighted average duration of the pension obligations was 11.7 years (2021: 12.1 years).

Severance compensation obligations

Legal regulations grant Austrian employees who joined the company before January 1, 2003, the right to a lump-sum payment upon retirement or termination by the employer, the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations in France, Italy, Poland and Turkey.

The country-specific discount rate used to calculate the severance compensation obligations under the projected unit credit method was based on the same yield curve used to calculate the pension obligations. The calculations are based on the following weighted average parameters:

Parameters	2022	2021
Discount rate	4.4%	0.7%
Expected salary increases	3.9%	2.6%
Average employee turnover	2.0%	1.9%

The current and past service cost and the effects of settlement payments from defined benefit severance compensation plans are included in operating results, while the net interest effect is included in financial result.

in TEUR	2022	2021
Defined contribution plans	1,726	1,631
Defined benefit plans		
Service cost for defined benefit plans	891	1,174
Past service cost	75	86
Effects of settlements	-791	0
Net interest cost	262	215
Expenses for defined benefit plans	437	1,475
Expenses for severance payments	2,163	3,106



The severance compensation obligations in France are covered by plan assets, which are held in shares (14 %; 2021: 13 %), bonds (76 %; 2021: 78 %) and other assets (10 %; 2021: 9 %).

The following table shows the composition of the severance compensation obligations and their coverage through plan assets:

in TEUR	Defined benefit severance obligation		Fair value of plan assets	
	2022	2021	2022	2021
Value as of 1/1	29,390	33,440	2,628	2,614
Change in scope of consolidation	33	0	0	0
Foreign exchange increase/decrease	-145	-270	0	0
Service cost for defined benefit severance obligations	891	1,174	0	0
Interest cost	282	229	0	0
Expected income from plan assets	0	0	19	14
Effects of settlements	-519	25	0	0
Actuarial gains/losses	-3,411	141	210	0
Past service cost	75	86	0	0
Payments	-1,899	-5,318	0	0
Payments received from employers	-317	-117	0	0
Value as of 31/12	24,380	29,390	2,857	2,628
Fair value of plan assets	-2,857	-2,628		
Net severance compensation obligations	21,523	26,762		
Thereof provision for severance	22,041	26,762		
thereof: market value of plan assets in excess of severance obligations	-518			
Actuarial gains/losses resulting from severance payment plans				
Actuarial gains/losses from changes in demographic assumptions	-103	-1,717		
Actuarial gains/losses from changes in financial assumptions	-1,766	1,694		
Actuarial gains/losses from experience adjustments	-1,542	164		
Deviation of return on plan assets	-210	0		
Actuarial gains (-)/losses (+) in other comprehensive income	-3,621	141		

The sensitivity of the gross severance obligation was tested by modifying the major actuarial assumptions individually while keeping all other conditions constant. A negative amount represents a reduction of the obligation, while a positive amount indicates an increase.

Sensitivity of the gross severance obligation	Change of parameter	Increase of parameter	Decrease of parameter
	in basis points (bp)/years	in TEUR	in TEUR
Discount rate	+/- 25 BP	-528	546
Salary increases	+/- 100 BP	2,103	-1,880
Employee turnover	+/- 100 BP	-285	301



The payments to defined benefit severance compensation plans are expected to total TEUR1,516 in 2023. As of December 31, 2022, the weighted average duration of the severance compensation obligations was 10.2 years (2021: 11.0 years).

31. Deferred Taxes

The following deferred tax assets and deferred tax liabilities as of December 31, 2022, and December 31, 2021 are the result of temporary differences between the carrying amounts of assets and liabilities recorded in the consolidated financial statements and their respective tax bases:

in TEUR	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Intangible assets	1,834	-63,306	930	-64,870
Property, plant and equipment and financial assets	11,704	-147,255	11,240	-131,354
Inventories	5,133	-4,668	4,137	-5,254
Receivables	17,264	-13,075	18,566	-11,413
Miscellaneous receivables	32,880	-47	52,526	-33
	68,815	-228,351	87,399	-212,924
Provisions	19,883	-10,460	23,725	-3,282
Liabilities	63,195	-4,408	61,904	-7,233
Prepayments received	998	-1,132	523	-212
	84,076	-16,000	86,152	-10,727
Tax losses carried forward	262,554		318,220	
Deferred tax assets/liabilities	415,445	-244,351	491,771	-223,651
Unrecognized deferred tax assets	-210,014		-301,262	
Offset within legal tax units and jurisdictions	-143,677	143,677	-116,382	116,382
Recognized tax assets/liabilities	61,754	-100,674	74,127	-107,269

Deferred taxes are calculated on the basis of the tax rates applied or announced to be applied in the individual countries pursuant to tax legislation currently in effect or substantially enacted. In Austria, the Eco-Social Tax Reform Act was published in the Federal Law Gazette on February 14, 2022. It stipulates for a gradual reduction of the corporate income tax rate to 23% as of January 1, 2024. In Austria, the calculation of deferred taxes is therefore based on a corporate income tax rate of 23%.

For the foreign companies, deferred taxes are calculated on the basis of the respective country-specific tax rates, which in the 2022 business year ranged from 0% to 30%.



Deferred tax assets in the amount of TEUR 4,544 were recognized in companies with a negative tax result for the reporting year. Given the underlying mid-term planning, their recoverability is justified.

At Group level, deductible temporary differences and tax loss carryforwards (including pro-rata depreciation and amortization) amounted to TEUR 816,817 (2021: TEUR 1,163,842), for which no deferred tax assets were recognized as their recoverability is not fully evidenced by mid-term planning. Thereof, TEUR 75,479 (2021: TEUR 254,991) relate to deductible temporary differences and TEUR 741,339 (2021: TEUR 908,851) to tax loss carryforwards (including pro-rata depreciation and amortization). This corresponds to unrecognized deferred tax assets of TEUR 210,014 (2021: TEUR 301,262) for temporary differences and tax loss carryforwards.

The following table shows when unused tax losses expire:

in TEUR	2022	2021
Expiry date of unused tax losses ≤ 5 years	8,167	13,742
Expiry date of unused tax losses 6–10 years	1,605	975
Unlimited carryforward of unused tax losses	731,567	894,134
Total of unused tax losses	741,339	908,851

Temporary pro-rata tax depreciation (over 7 years), which is tax-deductible under Austrian law, amounted to TEUR 56,710 (2021: TEUR 61,639) for Wienerberger AG. As in prior year, no deferred tax assets were recognized for this amount.

As of December 31, 2022, taxable temporary differences associated with investments in subsidiaries amounted to TEUR 334,217 (2021: TEUR 281,659), for which no deferred tax liabilities were recognized in accordance with IAS 12.39 (outside basis differences).

32. Liabilities

Liabilities are generally measured at amortized cost, except for derivatives with negative market values, which are measured at fair value.



The remaining terms of the various classes of liabilities are shown in the following tables:

2022 in TEUR	Total	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years
Interest-bearing loans	1,204,554	151,643	904,594	148,317
Lease liabilities	247,633	55,482	97,547	94,604
Financial liabilities owed to subsidiaries	32	32	0	0
Financial liabilities	1,452,219	207,158	1,002,140	242,921
Trade payables owed to third parties	438,481	438,481	0	0
Trade payables owed to subsidiaries	1,086	1,086	0	0
Trade payables	439,567	439,567	0	0
Payables for current taxes	49,636	49,636	0	0
Contract liability	7,876	7,876	0	0
Amounts owed to tax authorities and social security institutions	80,071	80,071	0	0
Refund liabilities	33,872	33,872	0	0
Prepayments received	13,631	11,677	288	1,666
Miscellaneous liabilities	318,595	305,041	1,762	11,792
Other liabilities	454,045	438,537	2,050	13,458
Total liabilities	2,395,467	1,134,898	1,004,190	256,379

2021 in TEUR	Total	Remaining term < 1 year	Remaining term 1–5 years	Remaining term > 5 years
Interest-bearing loans	1,293,830	160,677	914,818	218,335
Lease liabilities	245,273	52,318	98,558	94,397
Financial liabilities	1,539,103	212,995	1,013,376	312,732
Trade payables owed to third parties	421,950	421,950	0	0
Trade payables owed to subsidiaries	1,128	1,128	0	0
Trade payables	423,078	423,078	0	0
Payables for current taxes	18,154	18,154	0	0
Contract liability	8,875	8,842	33	0
Amounts owed to tax authorities and social security institutions	71,161	71,871	–710	0
Refund liabilities	18,891	18,891	0	0
Prepayments received	8,697	6,449	383	1,865
Miscellaneous liabilities	316,079	288,081	16,166	11,832
Other liabilities	423,703	394,134	15,872	13,697
Total liabilities	2,404,038	1,048,361	1,029,248	326,429

Leases already concluded but not yet commenced on the balance sheet date have not been taken into account in the valuation of lease liabilities. On the basis of information available on the balance sheet date, such arrangements will result in an increase in right-of-use assets and lease liabilities in the following year by TEUR 9,453 (2021: TEUR 3,268). The entire cash outflow for leases amounted to TEUR 68,162 (2021: TEUR 54,129).



Refund liabilities primarily comprise rights of return recognized for returnable pallets.

Contract liabilities comprise advance payments received from customers and are recognized on the balance sheet in other liabilities. On the balance sheet date, they amounted to TEUR 7,876 (2021: TEUR 8,875). Revenues generated from these orders are recognized at the time of transfer of the goods/services to the customer.

Miscellaneous liabilities include TEUR 85,231 (2021: TEUR 83,815) due to employees and TEUR 173,940 (2021: TEUR 170,569) from accruals for bonuses and other sales deductions due to customers. Prepayments received include TEUR 7,410 (2021: TEUR 6,026) of subsidies and investment grants from third parties, which are reversed to income over the useful life of the related items of property, plant and equipment. In addition to liabilities from current taxes, amounts owed to tax authorities and social security institutions also include tax liabilities of TEUR 50,902 (2021: TEUR 42,341).

Financial liabilities include the following derivatives with negative market values:

Derivatives

in TEUR	2022	2021
Derivatives designated in cash flow hedges	1,278	2,428
Derivatives designated in net investment hedges	3,899	5,301
Derivatives designated in fair value hedges	0	448
Other derivatives	992	534
Derivatives with negative market value	6,169	8,711

Total liabilities include TEUR 2,377,831 (2021: TEUR 2,381,381) of financial liabilities measured at amortized cost, TEUR 11,467 (2021: TEUR 13,945) in other liabilities measured at fair value, TEUR 5,177 (2021: TEUR 8,177) in derivatives designated as hedging instruments, and TEUR 992 (2021: TEUR 534) in other derivatives measured at fair value through profit or loss.



Financial liabilities are expected to result in the following cash flows:

Analysis of contractual cashflows

2022 in TEUR	Carrying amount as at 31/12/2022	Total	< 6 months	6–12 months	1–2 years	2–5 years	> 5 years
Bonds	656,833	-693,000	-16,000	0	-266,000	-411,000	0
Liabilities to banks	540,306	-612,511	-57,849	-104,863	-82,195	-210,673	-156,931
Lease liabilities	247,633	-282,881	-29,520	-25,330	-42,286	-79,641	-106,104
Liabilities to non-banks	1,278	-1,294	-384	-3	-86	-821	0
Financial instruments	1,446,050	-1,589,686	-103,753	-130,196	-390,567	-702,135	-263,035
Interest rate derivatives	3,899	-4,583	-4,583	0	0	0	0
Forward exchange contracts and swaps	2,270	-2,918	-2,208	-710	0	0	0
Derivative financial instruments	6,169	-7,501	-6,791	-710	0	0	0
Carrying amounts/ Contractual cash flows	1,452,219	-1,597,187	-110,544	-130,906	-390,567	-702,135	-263,035

2021 in TEUR	Carrying amount as at 31/12/2021	Total	< 6 months	6–12 months	1–2 years	2–5 years	> 5 years
Bonds	655,488	-709,000	-16,000	0	-16,000	-677,000	0
Liabilities to banks	628,685	-652,922	-65,564	-92,311	-95,545	-178,988	-220,514
Lease liabilities	245,273	-282,192	-29,562	-26,247	-41,359	-64,575	-120,449
Liabilities to non-banks	946	-955	-3	-131	-821	0	0
Financial instruments	1,530,392	-1,645,069	-111,129	-118,689	-153,725	-920,563	-340,963
Interest rate derivatives	8,177	-15,840	-2,497	-2,114	-4,879	-6,350	0
Forward exchange contracts and swaps	534	-4,309	-2,736	-1,573	0	0	0
Derivative financial instruments	8,711	-20,149	-5,233	-3,687	-4,879	-6,350	0
Carrying amounts/ Contractual cash flows	1,539,103	-1,665,218	-116,362	-122,376	-158,604	-926,913	-340,963

The cash flows shown in the above tables include interest paid for both fixed-interest and floating-rate financial liabilities. They were determined on the basis of the interest rates established at the end of the reporting period.



33. Contingent liabilities and guarantees

Contingent liabilities result from obligations to third parties, and include the following:

in TEUR	31.12.2022	31.12.2021
Guarantees	15,050	15,225
Other contractual obligations	2,079	1,582
Contingent liabilities	17,129	16,807

All events reported under contingent liabilities reflect possible future obligations that are contingent upon the occurrence of a future event that is completely uncertain as of the balance sheet date.

34. Financial Instruments

Interest-bearing financial liabilities comprise the following items:

2022	Currency	Nominal value in 1,000 local currency	Market Value in TEUR	Carrying amount as at 31/12/2022 in TEUR	Effective interest rate in %
Long-term loans	EUR	49,311	48,560	49,311	0.88
	HRK	1,273	179	169	2.18
	TRY	3,839	189	192	17.81
Roll-over	TRY	369,878	18,597	18,526	19.14
Short-term loans	EUR	47,423	46,777	47,423	1.06
	HRK	1,526	209	203	2.01
	TRY	18,987	984	951	22.63
Fixed interest liabilities due to financial institutions			115,495	116,775	

2021	Currency	Nominal value in 1,000 local currency	Market Value in TEUR	Carrying amount as at 31/12/2021 in TEUR	Effective interest rate in %
Long-term loans	EUR	84,016	84,141	84,016	1.00
	TRY	11,305	677	742	18.18
Roll-over	TRY	46,993	3,084	3,085	18.59
Short-term loans	EUR	52,225	52,460	52,225	1.12
	TRY	58,000	3,742	3,808	19.23
Fixed interest liabilities due to financial institutions			144,104	143,876	



2022	Currency	Nominal value	Market Value	Carrying amount as at 31/12/2022	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	351,537	349,844	351,537	2.70
	TRY	72,475	3,010	3,630	18.07
Roll-over	EUR	520	522	519	9.98
	TRY	141,520	7,116	7,088	19.22
Short-term loans	EUR	52,783	52,710	52,783	2.97
	CAD	894	619	619	-
	BGN	6	3	3	-
	DKK	202	27	27	-
	HRK	62	8	8	-
	NOK	94	9	9	-
	TRY	14,347	697	719	17.69
	USD	7,028	6,589	6,589	-
Derivatives	EUR	246,252	6,169	6,169	-
Variable interest liabilities due to financial institutions			427,323	429,700	

2021	Currency	Nominal value	Market Value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Long-term loans	EUR	401,667	400,083	401,667	0.45
Roll-over	EUR	17,000	17,006	17,000	0.80
	TRY	221,790	14,649	14,559	26.05
Short-term loans	EUR	47,349	47,350	47,393	0.91
	CAD	995	691	691	-
	CZK	20	1	1	-
	USD	3,962	3,498	3,498	-
Derivatives	EUR	478,453	8,711	8,711	-
Variable interest liabilities due to financial institutions			491,989	493,520	



2022	Currency	Nominal value	Market Value	Carrying amount as at 31/12/2022	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	626,585	647,175	2.69
Bonds – fixed interest (accrued interest)	EUR	9,658	9,658	9,658	-
Long-term loans – fixed interest	EUR	898	848	898	0.75
Short-term loans – fixed interest	EUR	264	264	264	-
Short-term loans – variable interest	CAD	122	84	84	-
Lease liabilities (long-term)	diverse		192,151	192,151	-
Lease liabilities (short-term)	diverse		55,482	55,482	-
Financial liabilities owed to subsidiaries	EUR	32	32	32	-
Financial liabilities owed to non-banks				905,744	

2021	Currency	Nominal value	Market Value	Carrying amount as at 31/12/2021	Effective interest rate
		in 1,000 local currency	in TEUR	in TEUR	in %
Bonds – fixed interest (long-term)	EUR	650,000	683,695	645,830	2.69
Bonds – fixed interest (accrued interest)	EUR	9,658	9,658	9,658	-
Long-term loans – fixed interest	EUR	898	910	898	0.75
Short-term loans – fixed interest	TRY	737	48	48	30.76
Lease liabilities (long-term)	diverse		192,955	192,955	
Lease liabilities (short-term)	diverse		52,318	52,318	
Financial liabilities owed to non-banks				901,707	

Interest rates (variable, fixed) can be swapped through the conclusion of interest rate swaps. The structure of financial liabilities (variable and fixed interest rates), including the effects of interest rate swaps, is shown on page 321.

35. Derivative financial instruments and hedge accounting

The market value of derivative financial instruments represents the value the company would receive or be required to pay upon settlement as of the balance sheet date. Current market conditions – above all current interest rates, foreign exchange rates and the credit standing of the counterparty – are taken into account. These valuation parameters are observable on the market and are available to all relevant market participants. The fair value of the respective derivative instruments corresponds to the net present value determined by means of recognized mathematical methods, including adjustments according to IFRS 13 (credit value and debit value adjustments – CVA/DVA).

As of December 31, 2022, Wienerberger held foreign exchange forward contracts that were concluded to hedge transactional risks for a period of up to 12 months. The risk positions covered by these hedges are documented in the Group's foreign-currency-based liquidity planning. These derivatives are designated as hedging instruments in cash flow hedges of future transactions, and changes in their market value during the term are recognized in the hedging reserve. The ineffective portion of the change in market value is recognized through profit or loss and consists primarily of the CVA/DVA adjustments as defined in IFRS 13. On the maturity date of the hedge, the cumulative, effective market value differences are reclassified from other comprehensive income to profit or loss.



The Wienerberger Group also holds currency swaps that are used to hedge cash pool and bank account balances in foreign currencies. The foreign currency differences on the bank account balances that are hedged with these instruments are recognized through profit or loss and, consequently, the market value differences of the hedges are also recognized through profit or loss. As these are natural hedges, hedge accounting is not applied.

As of the balance sheet date, two interest rate swaps to partially hedge the interest expense were in effect, which are designated as hedging instruments in cash flow hedges and for which the effective portion of the market value changes were recorded in the hedging reserve. The ineffective part of the market value change is determined by means of the hypothetical derivative method and recognized in profit or loss.

The cross-currency swaps are derivatives that hedge the Group's net investments in various currencies (US dollars, British pounds, Canadian dollars) and are therefore classified as hedges of a net investment in a foreign operation. The effectiveness of these hedges is measured at least quarterly by comparing the cumulative market value changes with the cumulative currency differences of the hedged position, which is represented by a hypothetical derivative. The effective portion of the hedge is recognized in the hedging reserve, and the ineffective portion is recognized in the statement of profit or loss.

	31/12/2022			31/12/2021		
	Currency	Nominal Value in 1,000 local currency	Market Value in TEUR	Currency	Nominal Value in 1,000 local currency	Market Value in TEUR
Forward exchange contracts	NOK	430,852	1,371	NOK	267,939	-385
	GBP	72,986	2,185	GBP	122,286	-2,093
	USD	10,000	18	USD	135,000	237
	DKK	19,000	1	DKK	27,000	0
	CAD	0	0	CAD	30,000	-131
	CZK	207,692	-233	CZK	479,476	-194
	HUF	4,493,824	-264	HUF	2,615,395	318
	PLN	77,403	-495	PLN	33,854	115
	SEK	184,374	352	SEK	263,088	124
	RUB	0	0	RUB	103,262	26
	RON	5,000	4	RON	0	0
	CHF	0	0	CHF	12,500	-448
	BGN	9,500	0	BGN	3,000	0
	HRK	0	0	HRK	5,000	0
	TRY	51,370	-54	TRY	0	0
	EUR	259,487	-595	EUR	199,123	1,365
	USD/NOK	6,212	96	USD/NOK	776	188
	TRY/USD	35,605	-75	TRY/USD	0	0
	USD/TRY	200	8	USD/TRY	0	0
Interest rate swaps	EUR	206,667	27,100	EUR	218,000	1,110
Cross currency swaps	GBP/EUR	85,000	4,609	GBP/EUR	85,000	-2,381
	USD/EUR	120,000	-787	USD/EUR	80,000	-1,240
	PLN/EUR	0	0	PLN/EUR	60,000	876
	CAD/EUR	47,500	304	CAD/EUR	47,500	-15
	CZK/EUR	0	0	CZK/EUR	700,000	-1,666
			33,545			-4,194



36. Disclosure on financial instruments

Financial instruments are classified in three levels that reflect the degree of valuation certainty. Wienerberger uses the following hierarchy to classify financial instruments measured at fair value according to the valuation method used:

- › Level 1: Valuation based on the market price for a specific financial instrument
- › Level 2: Valuation based on the market prices for similar instruments or on valuation models that only use parameters that can be monitored on the market
- › Level 3: Valuation based on models with significant parameters that cannot be monitored on the market

The financial instruments carried at fair value by the Wienerberger Group are generally classified as level 1 (shares in funds and stock; see Note 25. Receivables, securities and other financial assets) or level 2 (other financial assets and derivative financial instruments; see Note 35. Derivative financial instruments and hedge accounting). No items were reclassified between hierarchy levels during the reporting year.

Other securities recognized as financial instruments at fair value through profit or loss are partly classified as level 3 of the valuation hierarchy. They serve as reinsurance for pension obligations and netting against the provision is not permitted.

Investments in subsidiaries and other investments are recognized at fair value, which is determined on the basis of the underlying planning by means of a DCF method. They are therefore classified as level 3 of the valuation hierarchy.

Other liabilities accounted for at fair value are contingent purchase price liabilities in connection with the acquisition of companies referring primarily to a liability of TEUR 10,907 for 20.33% of the outstanding shares in Vargon d.o.o. The put option was discounted on the basis of the agreed purchase price up to the option's exercise date. Therefore, the liability is classified at level 3 of the fair valuation hierarchy. Furthermore, a contingent purchase price liability of TEUR 560 results from other acquisitions. A further amount of TEUR 1,036 results from non-contingent liabilities from acquisitions. The liability for the acquisition of the outstanding 15% share in Vesterled Teglvaerk A/S, Helligsø Teglvaerk A/S and Egersund Tegl a.m.b.a in the amount of TEUR 8,745 recognized in the previous year was paid in 2022.

The following table shows the financial assets and financial liabilities carried at fair value:



Financial assets and financial liabilities carried at fair value

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2022
Assets				
Investments in subsidiaries and other investments			16,355	16,355
Stock	76			76
Shares in funds	5,146			5,146
Other			332	332
At fair value through profit or loss	5,222		16,687	21,909
Derivatives designated in cash flow hedges		31,086		31,086
Derivatives designated in net investment hedges		8,026		8,026
Other derivatives		602		602
Derivatives with positive market value		39,714		39,714
Liabilities				
Derivatives designated in cash flow hedges		1,278		1,278
Derivatives designated in net investment hedges		3,899		3,899
Other derivatives		992		992
Derivatives with negative market value		6,169		6,169
Contingent purchase price liability			11,467	11,467

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 31/12/2021
Assets				
Investments in subsidiaries and other investments			17,319	17,319
Stock	64			64
Shares in funds	5,881			5,881
Other			340	340
At fair value through profit or loss	5,945		17,659	23,604
Derivatives designated in cash flow hedges		1,893		1,893
Derivatives designated in net investment hedges		876		876
Other derivatives		1,748		1,748
Derivatives with positive market value		4,517		4,517
Liabilities				
Derivatives designated in cash flow hedges		2,428		2,428
Derivatives designated in net investment hedges		5,301		5,301
Derivatives from fair value hedges		448		448
Other derivatives		534		534
Derivatives with negative market value		8,711		8,711
Contingent purchase price liability			13,945	13,945



The development of financial instruments classified under level 3 is shown in the following table:

in TEUR	Investments		Other securities		Contingent purchase price liability	
	2022	2021	2022	2021	2022	2021
Balance on 1/1	17,319	13,159	340	679	13,945	17,558
Additions	1,781	7	0	0	0	0
Change in scope of consolidation	13	16	0	0	10,812	0
Results from valuation in income statement	-2,758	4,150	-8	-339	-3,964	70
Disposals	0	-13	0	0	-9,326	-3,683
Balance on 31/12	16,355	17,319	332	340	11,467	13,945

Wienerberger generally carries loans and receivables as well as liabilities at amortized cost, whereas a provision for expected credit losses on loans and receivables is deducted from loans and receivables in accordance with IFRS 9. The fair value of these liabilities is either observable on the market, which permits classification under level 1 (bonds), or can be derived by means of an income approach-valuation, which permits classification under level 2 (loans).

Trade receivables and trade payables, loans granted, and other receivables and liabilities mostly have a term of less than one year. The respective carrying amounts generally correspond to fair values and are therefore not reported separately.



Financial assets and financial liabilities at amortized cost

in TEUR	Fair Value			Carrying amount as at 31/12/2022
	Level 1	Level 2	Level 3	
Assets				
Other receivables		6,483		6,483
Liabilities				
Long-term loans		401,782		404,839
Roll-over		26,235		26,133
Short-term loans		108,632		109,334
Financial liabilities owed to financial institutions		536,649		540,306
Bonds	636,243			656,833
Long-term loans		848		898
Short-term loans		348		348
Lease liabilities		247,633		247,633
Financial liabilities owed to subsidiaries		32		32
Financial liabilities owed to non-banks	636,243	248,861		905,744
Purchase price liability		1,036		1,036

in TEUR	Fair Value			Carrying amount as at 31/12/2021
	Level 1	Level 2	Level 3	
Assets				
Other receivables		29,871		29,871
Liabilities				
Long-term loans		484,901		486,425
Roll-over		34,739		34,644
Short-term loans		107,742		107,616
Financial liabilities owed to financial institutions		627,382		628,685
Bonds	693,353			655,488
Long-term loans		910		898
Short-term loans		48		48
Lease liabilities		245,273		245,273
Financial liabilities owed to non-banks	693,353	246,231		901,707
Purchase price liability		1,708		1,708



Accounting and Valuation Policies

Revenues: Income from deliveries of goods and the rendering of services is recognized when control of the goods delivered is transferred to the buyer. As a rule, at Wienerberger this corresponds to the time of delivery to the customer.

In individual cases, revenue is already recognized during production, if an asset produced is customer-specific and has no alternative use and Wienerberger has an enforceable right to payment against the customer. In the case of manufacturing contracts revenue is recognized on the basis of production progress and, is generally calculated by means of output-oriented methods (e.g. based on the amount produced relative to the total amount). Revenue from services, however, is calculated by means of an input-oriented method on the basis of the costs incurred by the cut-off date relative to the expected total costs of the contract (cost-to-cost method). Such services include, for instance, 3D models for building design produced within the framework of building information modelling. If the costs for a specific contract are expected to exceed the agreed revenues, a provision for impending losses is recognized.

Variable considerations are recognized in revenue only up to the extent to which it is highly probable that there will be no significant revenue reversals in the future. Revenues are reported net of rebates, discounts, bonuses, penalties and rights of return. The recognition of variable considerations is based largely on historical data. Payments to customers are deducted from revenue, unless they represent payments for distinct goods and services.

Costs of goods sold: The cost of goods sold includes direct material and production costs as well as a proportional share of overhead expenses for production equipment. Other components of the cost of goods sold are fixed production costs that cannot be capitalized due to the underutilization of capacity, impairment charges to inventories and the procurement cost of sold merchandise.

Government grants: Wienerberger recognizes government grants at their fair value under liabilities. Their reversal is reported under other income during the relevant accounting period when there is reasonable assurance that all conditions attached to the grant have been met.

Earnings per share: The calculation of earnings per share is based on Group profit after tax less non-controlling interests, divided by the weighted number of shares outstanding (less treasury shares).

Intangible assets: Identifiable intangible assets purchased by the Group are reported at acquisition cost less straight-line amortization and any impairment charges. Capitalized trademarks which on the date of purchase have been established for a long time and continue in use, are counted as intangible assets with an indefinite period of use to be subjected to annual impairment tests.

Goodwill: In accordance with IFRS 3, goodwill arising through a business combination is allocated to cash-generating units and not reduced through scheduled amortization but tested at least annually for indications of impairment.

Property, plant and equipment: Items of property, plant and equipment are recognized at acquisition cost less straight-line depreciation or usage-based depletion (clay pits). The recognition of internally constructed plant or equipment includes an appropriate component of material and production overheads but excludes general administrative and selling expenses. In accordance with IAS 23, borrowing costs incurred during the production of qualified assets are capitalized as part of acquisition cost and depreciated over their useful life. Research and development expenses at Wienerberger also include the costs for product development, process technology, the improvement of environmental standards and laboratory activities. Development costs are capitalized as part of the related asset category provided they meet the criteria for recognition of IAS 38.



The Group-wide depreciation rates are based on the useful economic lives of the respective assets (component approach) as shown in the following table:

Production plants (incl. warehouses)	10 - 40 years	Other machinery	4 - 30 years
Administrative and residential buildings	40 years	Fittings, furniture and office equipment	4 - 15 years
Building infrastructure	4 - 40 years	Customer bases	5 - 15 years
Kilns and dryers	5 - 30 years	Other intangible assets	4 - 10 years

Repairs that do not increase the useful life of assets are expensed as incurred. In accordance with IFRS 5, scheduled depreciation is discontinued when assets are classified as held for sale.

When plant or equipment is sold or retired, the gain or loss arising from the difference between the net proceeds on sale and the remaining carrying amount or impairment charge is reported in other operating income or expenses.

Leases: Upon conclusion of a contract, Wienerberger, as the lessee, reviews the contract in order to assess if it contains a lease and recognizes the present value of the lease payments as a lease liability and as a right of use, plus initial direct payments and advance payments made, according to IFRS 16.

Payments for short-term leases for a term of not more than 12 months, as well as leases of low-value assets, are treated according to the practical expedient and continue to be recognized linearly as rental and lease expenses over the term of the respective lease.

The Group's activities as a lessor are immaterial.

Impairment of non-financial assets: In accordance with IAS 36, impairment tests are carried out on a regular basis and whenever there is any indication of impairment. Assets are tested separately for impairment when it is possible to allocate distinct cash inflows to the individual asset. Impairment testing involves comparing the carrying amount of an asset with its recoverable amount, which represents the higher of fair value less costs to sell or the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. Fair value less costs to sell is the price that would be received on the sale of an asset, after the deduction of selling costs. The value in use is determined on the basis of an income approach and represents the present value of expected future cash flows to be derived from the asset or cash-generating unit.

Independent cash flows cannot be allocated to intangible assets with an indefinite useful life. These assets are tested for impairment as part of a cash-generating unit at least annually in accordance with IAS 36.

Reversals of impairment are recorded if the causes for impairment cease to exist or an alternative use is found for the item. In accordance with IAS 36, previously recognized impairment losses to goodwill are not reversed.

Investment property is carried at depreciated cost and, with the exception of land, is depreciated on a straight-line basis.

Investments in associates and joint ventures: Investments in associates over which Wienerberger exercises a significant influence (presumed if the equity stake held is between 20 % and 50 % of the shares) and joint ventures are carried at equity.

Inventories: Inventories are carried at the lower of cost and net realizable value, with valuation based on the moving average price method. Cost includes direct expenses as well as allocated overhead and depreciation based on normal capacity usage (between 85 % and 100 % of capacity). Interest charges as well as



selling and administrative expenses are not included in the production cost of current assets. Risks resulting from the length of storage or other impairments in value are reflected through appropriate write-downs.

Rights of return: When Wienerberger is obliged to take back products returned by the customer, e.g. pallets, the payment expected is accounted for as a refund liability and revenue is reduced by the corresponding amount. At the same time, an asset is recognized for the right to take the returned products back. The refund liability is recognized under other liabilities, while the return asset is reported in other receivables. The estimate of the return rate is based on historical return rates, among other factors.

Emission certificates: In accordance with IAS 20 and IAS 38, Wienerberger uses acquisition cost of zero to report the emission certificates allocated free of charge based on the EU Emissions Trading Directive. If actual emissions exceed the free certificates, a liability is recognized. Purchased certificates are recognized at cost or the lower market price on the balance sheet date.

Spot transactions in financial assets are recognized on the transaction date. A financial asset is derecognized when the contractual rights to cash flows from that asset expire.

Loans and receivables are carried at amortized cost, with identifiable individual risks reflected in appropriate valuation adjustments. Additionally, a discount is recognized for expected credit losses, which in the case of trade receivables is calculated by applying a weighting factor for different economic scenarios. Long-term, interest-free or non-interest-bearing receivables with terms of more than one year are recognized at the discounted net present value and adjusted for expected credit losses, depending on the credit rating of the counter party. Receivables in foreign currencies are measured at the average spot exchange rate on the balance sheet date.

Other investments classified as non-current assets are treated as equity instruments according to IFRS 9 and therefore measured at fair value through profit or loss, with gains and losses resulting from changes in fair values recognized in the financial result.

Securities held for short-term investment in investment funds, corporate debt instruments and equities and reported under short-term assets and measured at fair value, with changes in value being recognized in the income statement or in other comprehensive income, depending on their character (equity instrument or debt instrument). For listed securities the fair value is determined on the basis of stock exchange prices, whereas non-listed financial assets are measured on the basis of discounted cash flows in a DCF (discounted cash flow) model. Valuation gains and losses are recognized in profit or loss.

Derivative financial instruments: Derivative financial instruments are used exclusively to hedge risks arising from business operations. Foreign exchange futures are used to hedge transaction risks, and interest rate swaps serve to optimize the fixed and/or variable interest rate component of financial liabilities. Cross currency swaps are used to hedge net investments in foreign subsidiaries whose accounts are kept in a currency other than the euro. All derivative financial instruments are recognized at fair value upon conclusion of the contract and on the balance sheet date in accordance with IFRS 13, with the counterparty credit risk being taken into account. Current stock exchange prices are used for listed financial instruments; for non-listed interest-bearing financial instruments, the fair values are determined by discounting future payments by using the current market interest rate. According to IFRS 9, derivative financial instruments not designated as hedging instruments are measured at fair value through profit or loss.

Hedge Accounting: Wienerberger applies the IFRS 9 rules to hedge balance sheet items (translation risk) and future cash flows (transaction risk). A cash flow hedge provides protection against fluctuations in future cash flows. Changes in the market value of an effective hedge are recognized in other comprehensive income in the hedging reserve, while non-effective components are recognized in profit or loss within the financial result. The hedge of a net investment in a foreign operation is treated in the same way, with all changes in the value of the effective component of the hedging instrument used shown under the hedging reserve. The hedged risk, i.e. the result from currency translation of the hedged investment, is recognized in other comprehensive income.



Non-current assets held for sale: Wienerberger owns land and buildings that are not used in business operations and for which the Group intends to realize the value of these assets through a sale. In accordance with IFRS 5, non-current assets must be reclassified as held for sale when they are available for immediate sale in their present condition and their sale is highly probable within twelve months from designation. If these requirements are met, the items are reported separately in the balance sheet and measured at the lower of the carrying amount or fair value less costs to sell. Scheduled depreciation is not recognized on assets held for sale.

Cash and cash equivalents include cash on hand, checks received, demand deposits and short-term investments as well as deposits with financial institutions that have a fixed term of up to three months.

Provisions for pensions: The Wienerberger Group has both defined contribution and defined benefit pension plans. Defined contribution plans carry no further obligation for the employer after the payment of premiums. The employer's contributions to these pension plans are reported under expenses for pensions. If any additional contributions have to be made by Wienerberger, a provision will be recognized as for the defined benefit commitments. Under defined benefit plans, the employee is promised a certain retirement benefit. The risk related to the actual retirement benefit is carried by the company up to the time of payment. The provisions for defined benefit pension plans are calculated using the projected unit credit method. The valuation of pension commitments includes future increases in wages/salaries and pensions. The provisions for pensions are calculated by independent actuaries.

Expenses for additions to the provisions for pensions are allocated to the various functional areas. Commitments by US companies to cover medical costs for retired employees are recognized under provisions for pensions because of their pension-like character.

Provisions for severance compensation: Legal regulations grant Austrian employees the right to a lump-sum payment at retirement or termination by the employer, with the amount of the payment being dependent on the length of service. These future obligations are reflected in provisions for severance payments. There are similar obligations, among others, in France, Italy, Poland and Turkey. The provisions for severance compensation are calculated according to actuarial principles using the projected unit credit method. For Austrian employees, whose employment started after December 31, 2002, the employer contributes 1.53 % of the gross wage or salary each month to an employee severance compensation fund. This is classified as a defined contribution plan in accordance with IAS 19, and the related employer contributions are reported under severance expense.

Provisions for anniversary bonuses: A number of employees in the Wienerberger Group are entitled to long-service bonuses when they reach a specified number of years of employment with the company. Provisions are recognized for these obligations based on the projected unit credit method. Any actuarial gains or losses are recognized immediately in profit or loss.

Provisions for site restoration: In accordance with IAS 37, a provision for site restoration is created when a clay pit is purchased and is reported as an addition to non-current assets according to IAS 16. The underlying assumptions for these obligations are generally based on the regulations applicable in the respective countries. Non-current provisions that are expected to be used after 12 months are discounted and reported at their present value.

Provisions for warranties: Wienerberger provides manufacturer's warranties, especially for clay products, which assure the customer that the products concerned correspond to the contractually agreed specifications. As a rule, such warranties cannot be purchased separately. Such "assurance-type warranties" are recognized in the balance sheet under provisions for warranties according to IAS 37. To calculate the provisions for warranties, single risks are measured, and a risk total is calculated on the basis of empirical values from the past. To this end, losses experienced in the past are evaluated and the extent of potential obligations is derived by means of stochastic methods. "Service-type warranties" representing a separate performance obligation are not concluded with customers within the Wienerberger Group.



Other provisions: Other current obligations that result from a past event and are expected to lead to an outflow of resources, but whose timing or amount are uncertain, are recognized at their full cost in accordance with IAS 37 and reported as provisions.

Deferred taxes: In accordance with IAS 12, the calculation of deferred taxes includes all temporary valuation and accounting differences of assets and liabilities recognized on the balance sheet date and their corresponding tax bases. Deferred tax assets also include tax credit entitlements which arise from the expected use of existing losses carried forward in future years and whose realization is probable. These entitlements are calculated on the basis of planned operating results and the earnings effects from the reversal of taxable temporary differences. Deferred taxes are calculated using the tax rate expected to be in effect when these differences reverse in the future and are based on the local tax rate applicable to the individual Group company. Future changes in tax rates are applied if the relevant legal amendment has been substantially enacted as of the balance sheet date.

Financial liabilities: Liabilities are stated at the actual amount received, less transaction costs. Any premium, discount or other difference between the amount received and the repayment amount is distributed over the term of the liability according to the effective interest rate method and recognized in financial result. Therefore, the measurement of these items reflects amortized cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. Wienerberger has not elected to use the option provided by IFRS 9, which permits the initial recognition of a financial liability at fair value through profit or loss.

Transfer prices: There are several regional supply and delivery relationships between the individual operating segments. Prices for the sale of goods between Group companies are established at arm's length terms based on the resale price method. Prices for the provision of services between Group companies are established at arm's length terms based on the cost-plus method.

37. Foreign exchange translation

The accounts of foreign companies are translated to euros based on the functional currency method. The relevant local currency is the functional currency in all cases, as these companies operate independently in financial, economic, and organizational terms. All balance sheet items, with the exception of equity, are translated at the closing rate at the end of the reporting year (i.e. December 31, 2022). Goodwill is recognized as an asset in local currency and is also translated at the closing rate on the balance sheet date for the consolidated financial statements. Expense and income items are translated at the average exchange rate for the year. The only exception to this principle is the expense and income items of subsidiaries in hyperinflationary economies that are translated at the average spot rate as of the balance sheet date.

Unrealized currency translation differences arising from non-current Group loans are recorded in the translation reserve without recognition in profit or loss. Currency translation differences arising from the use of the closing rate for the balance sheet and the average exchange rate for the income statement are also reported under other comprehensive income.

Cross currency swaps are used to limit the translation risk arising from the Group's business activities in the USA, Canada, Great Britain and certain countries in Eastern Europe. These transactions involve the conclusion of a cross currency swap equal to the value of the foreign currency assets to be hedged.



The most important exchange rates used for foreign currency translation developed as follows during the reporting year:

	Closing rate on		Average rate for the year	
	31/12/2022	31/12/2021	2022	2021
British pound	0.88693	0.84028	0.85276	0.85960
Bulgarian lev	1.95583	1.95583	1.95583	1.95583
Danish krone	7.43650	7.43640	7.43956	7.43703
Canadian dollar	1.44400	1.43930	1.36949	1.48257
Croatian kuna	7.53650	7.51560	7.53487	7.52841
Norwegian krone	10.51380	9.98880	10.10261	10.16333
Polish zloty	4.68080	4.59690	4.68611	4.56518
Romanian lei	4.94950	4.94900	4.93131	4.92148
Russian ruble	77.70000	85.30040	73.33214	87.15272
Swedish krone	11.12180	10.25030	10.62958	10.14646
Czech koruna	24.11600	24.85800	24.56593	25.64049
Turkish lira	19.96490	15.23350	17.40879	10.51237
Hungarian forint	400.87000	369.19000	391.28646	358.51612
US dollar	1.06660	1.13260	1.05305	1.18274



Risk Report

Principles of risk management

The conduct of global operations exposes the Wienerberger Group to a variety of risks that are inseparable from entrepreneurial activities. These risks have an effect on the business segments of the Group and on its assets, liabilities and planned commercial decisions.

Throughout the Group, Wienerberger focuses on the early identification and active management of risks in its operating environment. To this end, regular surveys are being performed among the Managing Board as well as the Business Unit managers and Corporate Function heads in charge in order to update the existing risk catalogue and to identify new risks. In the course of this process, strategic and operational risks are identified along the entire value chain. The impact of these risks on cash flow is assessed and appropriate risk mitigation strategies and measures are adopted and implemented.

Risk situation and operating risks relating to the Group's markets

As a well-diversified and resilient provider of building material and infrastructure solutions, Wienerberger operates in the end markets newbuild, renovation and infrastructure. The Group is dependent on macro-economic parameters in the countries it operates in, which include, in particular, general economic developments and building activities in newbuild and renovation as well as the public construction sector. Consumer confidence, the unemployment rate, long-term interest rates, the availability of financing, tax legislation, building regulations and subsidies for housing construction, the availability of labor for construction sites, as well as other factors beyond the Group's sphere of influence also have an impact on the level of business activity. The economic cycles of the construction industry that influence Wienerberger's business are notably longer than in other sectors and vary in timing from market to market.

Unfavorable developments of any or all of these factors can have a negative impact on demand for Wienerberger products and system solutions, sales volumes, and the price level. Cyclical fluctuations in demand harbor the risk of excess capacity, which in turn may result in increased pressure on prices, lower margins, and revenues that fail to cover production costs. With regard to cost allocation, a distinction must be made at Wienerberger between the ceramics business and the piping business. The share of fixed costs in the ceramics business is higher than that of the plastic piping business due to the comparatively greater intensity of fixed assets. Production capacities are therefore analysed on an ongoing basis and adjusted to market conditions through measures such as temporary or permanent plant closures and the relocation of production to efficient facilities.

In the long term, Wienerberger regards the Central and Eastern European markets with their pent-up demand for new residential construction and infrastructure as growth markets. Weakening demand and a higher pressure on prices in these growth markets may represent risks for the Wienerberger Group.

Moreover, Wienerberger products compete with other building materials, such as concrete, timber, calcium silicate, glass, steel, or aluminium, which exposes the Group to a substitution risk. This also applies to the piping business. Based on our strong position as an industry leader in terms of quality and the development of innovative products, we are making every effort to minimize this risk. Our innovations primarily aim at improving the physical properties of building materials and their cost-efficiency.

Developments in the plastic piping business are largely influenced by raw material prices, which usually correlate with the crude oil price. Synthetic polymers account for a substantial part of plastic pipe production costs. The volatility of raw material prices has increased significantly in recent years. Major fluctuations within a single month call for a flexible pricing policy to keep such price fluctuations under control or pass them on to the market in a targeted manner. In price management, fast reactions are crucial in order to secure sustainable profitability. Alongside the price risk, this business segment is also exposed to a supply risk. Any interruption of supply invariably leads to disruption in production. With few exceptions, alternative raw material suppliers are available to counter the supply risk.

Building material and infrastructure activities are subject to seasonal fluctuations, with quantities sold between April and October being substantially above those sold during the rest of the year. Like the building material and infrastructure sectors as a whole, the Wienerberger Group is partly dependent on weather conditions for its earnings, as long periods of frost and rain slow down construction work and have a notable impact on demand.

To avoid fluctuations in earnings wherever possible, Wienerberger has adopted a strategy of diversification in terms of geography and end markets, while at the same time concentrating on its core business of providing solutions for walls, roofs and façades as well as



pavers and piping systems. Wienerberger has positioned itself as a provider of building material solutions for residential and non-residential construction and infrastructure. Our activities are subject to the usual local market risks. We have to continuously defend our positions against competitors and substitute products. We expect to see a growing degree of concentration among our customers, with building material dealers playing an important role, and a resultant increase of the pressure on prices. Specific market situations can also have a negative impact on the price level and may force Wienerberger to adapt its pricing strategy if necessary.

As a multinational corporation, Wienerberger operates in countries that are in different stages of economic and social development. Unfavorable changes in the political, legal, and economic framework therefore represent additional sources of risk. Risks arising from changes in the tax law governing the markets concerned, risks from changes in the taxation of energy sources, risks from amendments to labor law, risks from linguistic and cultural differences encountered in international activities demanding an effort of coordination, restrictions on the repatriation of profits, and risks arising from increasingly stringent legal provisions on the use of raw materials, product standards, and product liability, as well as environmental and safety standards, may also have a significant impact on the activities of the Wienerberger Group. Additionally, in certain markets such as Russia and India there is a risk of expropriation of production facilities without any guarantee of adequate compensation. In these markets, in particular, Wienerberger is exposed to potential tax risks resulting from changes in tax law or the interpretation of tax law in effect. From today's perspective, Wienerberger is not able to quantify the probability of occurrence or the extent of such potential risks.

Wienerberger does not operate in Ukraine. Its business in Russia accounts for less than 1% of revenues at Group level. In the second quarter of 2022, Wienerberger AG announced the sale of its Russian activities in a management-buyout as a consequence of the Russia-Ukraine conflict. The corresponding negotiations were concluded in the fourth quarter. The effects on the consolidated financial statements are described in detail on page 290. Furthermore, non-current assets in Russia and Estonia were written down in the first quarter of the business year (see page 284).

Procurement, production, investment and acquisition risk

Wienerberger has a modern and regional plant network. Therefore, the risk of operating breakdowns or a longer loss of production due to technical problems is low. Supplies of clay raw materials or synthetic polymers for our plants are guaranteed on a lasting basis by sufficient deposits and long-term supply contracts.

The cost of energy for the firing of bricks represents a significant percentage of the Group's cost structure. In 2022 energy costs for the Wienerberger Group totaled TEUR 372,927 (2021: TEUR 279,934) or 7.5 % (2021: 7.0 %) of revenues. These expenses consist of 57 % for natural gas, 37 % for electricity and 6 % for other materials. Energy prices are dependent on international and local market developments and are subject to fluctuations. Wienerberger minimizes the risk connected with rising energy prices in liberalized markets (in total, roughly 90 % of energy costs) by concluding futures contracts or fixed-price agreements with national and international suppliers. These prices are usually fixed on a long-term or medium-term basis. In a limited number of Eastern European countries (in total, roughly 10 % of energy costs) the prices for natural gas are regulated by the federal government and contracts with local suppliers are negotiated each year. In 2014, Wienerberger was granted carbon leakage status for its European brick operations. Based on a further qualitative evaluation performed in 2018, the brick industry has been included in the new carbon leakage list for the fourth trading period. This means that Wienerberger retains its carbon leakage status and will continue to be allocated a major part of the required CO₂ certificates free of charge, although free allocation will be subject to tougher competition in the future. Wienerberger therefore established the ETS Strategy Task Force to prepare for these changes. Investments in decarbonization currently in the process of implementation are expected to offset the negative impact of fewer CO₂ certificates being allocated free of charge.



In addition to price risk Wienerberger is also exposed to energy supply risk (natural gas and electricity), in particular with respect to the current conflict between Russia and Ukraine. A disruption in supply inevitably results in a loss of production and can therefore have a negative effect on operating results if demand cannot be met from inventories or through the exploitation of alternative energy sources.

Continuing optimization (operational excellence) and product innovations as well as internal and external growth projects are implemented to increase the value of Wienerberger. The future profitability of these projects is dependent to a large degree on the investment volume and/or acquisition price as well as the development of the market. For this reason, all growth projects must meet the defined return on investment criteria for the Group's bolt-on and strategic projects. The entry into new markets is also connected with risks involving competition, planning accuracy and the evaluation of the political situation as well as the successful, profitable development of business. New projects are therefore analyzed extensively in advance, both from a qualitative and quantitative standpoint.

Financial risks

In addition to financing risk, operating activities expose Wienerberger to interest rate and exchange rate risks. Derivative financial instruments, in particular forward exchange contracts and interest rate swaps, as well as operational measures are used to limit and manage this risk. All cash flow hedges and hedges of investments in foreign operations are classified as highly effective as a means of offsetting the hedged risks in keeping with risk management objectives. No derivatives are held for speculative purposes.

The refinancing sources open to Wienerberger are determined by numerous financial, macroeconomic and other factors beyond the control of management. These factors include covenants in the existing and future debt arrangements as well as the maintenance of the current rating. According to these covenants, the ratio of net debt to EBITDA may not exceed 3.9 years; this ratio came to 1.1 years as of December 31, 2022. Part of the earnings are used to pay interest and is therefore not available for other purposes. If the Group's rating should deteriorate or covenants are not met, additional interest expense could arise due to an increase in the credit risk premium and lead to higher financing costs and lower cash flow. The failure to comply with covenants could also result in a loan becoming due immediately.

Exchange rate risks

A significant portion of the revenues and earnings of the Wienerberger Group is generated by subsidiaries whose headquarters are not located in the euro zone. Wienerberger recorded 60 % of its revenues for the reporting year in currencies other than the euro, predominately Eastern European currencies (20 %), the US dollar (17 %) and the British pound (12%). The exchange rate risk inherent in cash flows is immaterial due to the local nature of the building materials business. Cash flows into or out of the euro region are primarily related to Group dividends or loans and the sale of goods and services. The foreign exchange risk on these intragroup cash flows is managed by the holding company.

Credit financing for the purchase of current assets is concluded in the local currency of the individual companies because of the decentralized structure of the Wienerberger Group. Foreign exchange risk in the financing area is therefore reduced to a minimum, since the Group companies generally issue their invoices in local currency and these transactions form a natural hedge. The exposure of financial liabilities to foreign exchange risk is disclosed in Note 34. Financial instruments (see pages 302-304).

However, the translation of foreign company financial statements into the euro results in currency translation differences (translation risk), which are recognized in other comprehensive income under foreign exchange adjustments. The revenues, earnings, and balance sheet items of companies not headquartered in the euro region are therefore dependent on the relevant euro exchange rate. Since June 30, 2022, according to IAS 29, Turkey has been classified as a hyperinflationary economy. From January 1, 2022, the annual financial statements of the Turkish subsidiary have therefore been restated on the basis of the price index published by the Turkish Statistical Institute (see page 265).



The Wienerberger risk strategy calls for reducing the translation risk arising from net investments in foreign subsidiaries to a certain extent through hedging. The following table shows Group revenues and capital employed by currency, with the calculation of capital employed including the effects of forward exchange contracts and foreign currency swaps:

Revenues	2022		2021	
	in MEUR	Share in %	in MEUR	Share in %
Euro	2,015	40.5	1,788	45.0
Eastern European currencies	988	19.9	865	21.7
British pound	600	12.1	460	11.6
US dollar	865	17.4	459	11.6
Other	509	10.2	400	10.1
Group revenues	4,977	100	3,971	100

Capital employed	2022		2021	
	in MEUR	Share in %	in MEUR	Share in %
Euro	2,085	56.5	2,193	67.5
Eastern European currencies	569	16.3	432	13.3
US dollar	352	13.3	253	7.7
British pound	233	6.7	189	5.8
Other	252	7.2	181	5.6
Capital employed after hedging effect	3,491	100	3,248	100

The effects of a hypothetical change in foreign exchange rates on the consolidated income statement and the consolidated statement of comprehensive income are calculated by use of sensitivity analyses. For the purpose of this presentation, an annual volatility is assumed as of the balance sheet date. This volatility is calculated on the basis of the daily change in the relevant exchange rate against the euro. In accordance with IFRS 7, foreign exchange risks result from monetary financial instruments not denominated in the functional currency of the reporting entity. Consequently, receivables, liabilities, cash and cash equivalents as well as derivative foreign-currency financial instruments form the basis of the calculation of the sensitivity of the consolidated income statement. The sensitivity of the consolidated statement of comprehensive income reflects the differences of long-term loans to subsidiaries as well as valuation effects of cash flow hedges for currency risks reported in other comprehensive income. Translation differences arising from the translation of financial statements prepared in a currency other than the euro were not included in the calculation.



A change in the annual volatility of the euro against the most relevant exchange rates as of the reporting date would affect the consolidated income statement and the consolidated statement of comprehensive income as follows:

Sensitivity of the consolidated income statement

in TEUR	2022			2021		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/GBP	7.74%	4,431	-4,431	5.19%	846	-846
EUR/PLN	9.03%	1,617	-1,617	5.26%	608	-608
EUR/SEK	7.30%	1,336	-1,336	5.34%	464	-464
EUR/HUF	13.51%	791	-791	6.11%	411	-411
EUR/RUB	53.43%	483	-483	9.51%	129	-129
EUR/NOK	10.31%	369	-369	8.69%	817	-817
EUR/USD	9.99%	293	-293	5.60%	-6,560	6,560

Sensitivity of the consolidated statement of comprehensive income

in TEUR	2022			2021		
	Annual volatility	if the euro depreciates	if the euro appreciates	Annual volatility	if the euro depreciates	if the euro appreciates
EUR/USD	9.99 %	4,171	-4,171	5.60 %	8,227	-8,227
EUR/PLN	9.03 %	2,747	-2,747	5.26 %	775	-775
EUR/NOK	10.31 %	2,506	-2,506	8.69 %	2,796	-2,796
EUR/TRY	12.55 %	1,958	-1,958	-	-	-
EUR/GBP	7.74 %	-1,686	1,686	5.19 %	-2,090	2,090
EUR/SEK	7.30 %	1,569	-1,569	5.34 %	-408	408

Interest rate risks

Interest rate risk comprises two components: the relevant value of the average term for the Group's financing and the separation into fixed and variable interest rates. The risk associated with fixed interest rates lies in a possible decline in interest rate levels, while the risk associated with variable interest rates arises from the possibility of an increase in interest rates. A parallel upward shift of 100 basis points in interest rates would have decreased profit after tax by TEUR 587 (2021: TEUR 1,418) and, through this change in the income statement, also changed equity by the same amount. A decrease of 100 basis points in interest rates would have increased (2021: decreased) profit after tax and equity by the same amount.

The risk position of Wienerberger AG with respect to the interest rate risks arising from liabilities with fixed and variable interest rates is explained below.

In order to analyze interest rate risk (fixed and variable interest rates), financial liabilities (see pages 302 to 304) are adjusted for the effects of derivative instruments (hedging) and short-term fixed-interest financial liabilities are treated as variable interest items. Sensitivity analyses were carried out on fixed interest and variable interest financial liabilities to estimate the impact on earnings and equity.



in TEUR	2022		2021	
	Fixed interest rate	Variable interest rate	Fixed interest rate	Variable interest rate
Interest-bearing loans	1,022,403	429,816	1,045,583.0	493,520
Reclassification of short-term fixed interest rate loans	-77,024	77,024	-68,824.0	68,824
Effects of derivative instruments (hedging)	206,667	-206,667	218,000.0	-218,000
Financial liabilities after hedging effects	1,152,046	300,173	1,194,759.0	344,344

Credit risk

Wienerberger has established strict requirements for the credit standing of its financial partners, which are defined in internal financial and treasury guidelines. The credit risk inherent in the investment of liquid funds and securities is limited because Wienerberger works only with financing partners whose credit rating leads to expectations of a sound financial standing and sets counterparty limits based on this credit rating. However, financial partners with an excellent rating can also pose a credit risk and Wienerberger therefore continuously monitors developments on financial markets and adjusts credit limits accordingly. The following table shows the maximum exposure of trade receivables and miscellaneous receivables (including receivables from current taxes) to credit risks as of December 31, 2022, classified by region:

Credit risk	2022		2021	
	in MEUR	Share in %	in MEUR	Share in %
Western Europe	295.6	59	259.3	56
Central-Eastern Europe	98.0	20	97.6	21
North America	93.9	19	95.8	21
Other	10.9	2	10.3	2
Total trade receivables and miscellaneous receivables	498.3	100	463.0	100
thereof insured against default	290.0		244.5	

Trade receivables consist primarily of receivables due from building material retailers and large customers. If an amount is overdue for more than 360 days, default is assumed, and the receivable is written off in its entirety. Receivables are derecognized when there is a legal basis for the assumptions that no more payments will be received.

The following table shows the aging of trade receivables and impairment charges to trade receivables:

in MEUR	2022			2021		
	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
Not due	296.9	-1.4	295.5	292.2	-1.4	290.8
Up to 30 days overdue	64.4	-1.6	62.8	41.6	-1.2	40.4
31 to 60 days overdue	11.2	-0.8	10.4	8.6	-1.0	7.6
61 to 90 days overdue	3.6	-1.1	2.5	2.7	-0.9	1.8
More than 90 days overdue	20.0	-16.7	3.3	14.6	-11.8	2.8
Trade receivables	396.1	-21.6	374.5	359.7	-16.3	343.4

Loans granted and other long-term receivables primarily comprise receivables from financing activities in respect of companies included at equity and non-consolidated Group companies. In the reporting year, credit losses were calculated mainly for defaults expected in the following 12 months, as the assessment of the counterparties' credit risk has not changed materially. As a matter of principle, default is defined on the basis of generally recognized rating classes as well as externally available or internally calculated ratings. Additional information available internally is also used to assess the risk of default. On the balance sheet date, there were no receivables (2021: 2) for which an expected credit loss was assumed over the residual term.



Loans granted and other long-term receivables can be classified by rating class as follows:

Rating categories	2022			2021		
	Gross receivable	Loss - allowance	Carrying amount	Gross receivable	Loss - allowance	Carrying amount
in MEUR						
Grade 1: low risk	3.2	0.0	3.2	21.9	-0.1	21.8
Grade 2: fair risk	24.2	0.0	24.2	29.3	-0.2	29.1
(Partial) default	1.1	-0.8	0.3	1.1	-0.8	0.3
Loans granted and other non-current receivables	28.5	-0.8	27.7	52.3	-1.1	51.2

Loss allowances of trade receivables and loans granted can be reconciled as follows:

Loss allowance	2022		2021	
	Trade receivables	Loans and other non-current receivables	Trade receivables	Loans and other non-current receivables
in MEUR				
Balance on 1/1	16.3	1.1	17.0	1.1
Foreign exchange translation	0.2	0.0	0.0	0.0
Provision for expected credit losses	5.0	0.0	0.7	0.0
Change in scope of consolidation	0.8	0.0	0.0	0.0
Disposals	-0.7	-0.3	-1.4	0.0
Balance on 31/12	21.6	0.8	16.3	1.1

Liquidity risks

The preservation of liquidity and the preservation of a healthy financial base represent the focal points of the Wienerberger strategy. The most important instruments in this respect are the maximization of free cash flow through cost reduction, active working capital management and a cutback in investments to the necessary minimum.

Liquidity risks arise, above all, when cash flows from revenues fall below expectations because of weaker demand and the measures to reduce working capital and cash outflows for fixed costs (active capacity management) are not sufficient or can only be implemented with a delay.

Liquidity is managed on a regular basis, among others, on the basis of rolling quarterly liquidity planning as well as a regular analysis of the cash conversion cycle, which is based on average accounts payable turnover, inventory turnover and receivables conversion, coming to 62 days in 2022 (2021: 61 days). As per the balance sheet date, the outstanding receivables days improved from 32 to 27 days compared to prior year. For a disclosure of liquidity risk arising from financial liabilities, refer to the disclosure of contractual cash flows on page 301.

As of the balance sheet date, credit lines in the amount of TEUR 400,000 (2021: TEUR 400,000) were committed, of which TEUR 400,000 were not drawn (2021: TEUR 383,000).



Legal risks

Business combinations may be subject to the approval of antitrust authorities, depending on the market position in individual countries and/or the size of the planned acquisition. These approval procedures could lead to delays or, in individual cases, to the prohibition of specific acquisitions or mergers. Wienerberger evaluates the anti-trust risk associated with an acquisition together with national and international legal and business experts during the early stages of work on a project in order to minimize this risk. No acquisitions planned by the Group have ever been prohibited.

In connection with real estate transactions carried out in earlier years, Wienerberger AG is liable for possible contamination and the resulting damage during its ownership.

In various countries the Group is subject to local tax law, the further development of which may have financial implications in the form of changes in charges and taxes. In February 2023, the Hungarian government enacted a law with immediate effect for companies in the mining industry to tax increases in sales prices above a statutory threshold. Wienerberger is currently examining the financial impact on the operating business of Hungary, which represents approximately 3.3 % of Group revenues.

Other risks

Wienerberger is subject to extensive and increasingly strict environmental, health and safety laws (environment social governance, ESG) in many countries, which requires investments for compliance with these regulations. Failure to comply with these regulations could result in administrative fines, claims for damages or the withdrawal of operating permits.

Wienerberger plants exceed current legal requirements for the prevention of environmental damage, but the intensification of environmental standards presents the Group with a continuous range of new challenges. Legal commitments are identified and met through knowledge of current legal and contractual requirements as well as cooperation with experts and external consultants. Risks arising from the restoration of clay pits are part of the company's operating risk and are monitored continuously.

As a leading provider of building material and infrastructure solutions, we are committed to the transparent disclosure of climate-related opportunities as well as risks. The identification and analysis of climate-related risks is part of Wienerberger's overall approach to risk management. Since 2020, we have therefore supported the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as regards the identification, analysis and assessment of physical and transition risks.

The risks associated with a breakdown of our centralized Group data processing system as the result of natural disasters have been minimized through the installation of redundant system at facilities in different locations and cloud solutions.

A number of building materials companies with operations in the USA are subject of class action suits from patients with asbestos-related diseases. After an examination of our US activities, we have classified this risk as minimal because none of our American subsidiaries has ever produced or sold asbestos products.

A number of older buildings of the Wienerberger Group contain a certain percentage of asbestos products. The company takes utmost care to ensure that such products do not constitute a direct threat to its staff and utilizes specialized services when removing such asbestos products.

The Wienerberger Group also competes with other firms in the labor market. In order to train future managers and prepare these persons for management positions, Wienerberger has developed curricula that include the Sales Academy, the Plant Manager Program and the Ready4Excellence Program. Wienerberger uses these programs and personalized training measures to optimally train its employees and to also strengthen their ties to the company (see the Wienerberger Sustainability Report for additional information).



The Covid-19 pandemic declared by the World Health Organization (WHO) on March 11, 2020, triggered strict health-related restrictions in some of the countries Wienerberger operates in. Wienerberger minimizes the risk of infection clusters at its sites through strictly regulated workflows and hygiene measures both in its plants and at its administrative locations.

Other disclosures

38. Related party transactions

The following companies and persons are considered to be related parties of Wienerberger: the members of the Supervisory and Managing Boards and close members of their families, associated companies, joint ventures and non-consolidated subsidiaries of Wienerberger AG as well as ANC Private Foundation and its affiliates. Transactions with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted at arm's length conditions. Business relationships between the company and related parties, in particular members of the Managing and Supervisory Boards of Wienerberger AG, are disclosed in Note 12. Personnel expenses if any payments to these persons are involved.

ANC Private Foundation and its affiliates operates landfill activities in Austria that were transferred by Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The managing board of ANC Private Foundation consists of three members, of which one member is part of Wienerberger top management. The total assets of ANC Private Foundation amounted to TEUR 35,020 as of December 31, 2022 (2021: TEUR 32,853) and consist primarily of land and buildings totaling TEUR 6,920 (2021: TEUR 7,350) and securities and liquid funds of TEUR 23,562 (2021: TEUR 21,189). The foundation had provisions of TEUR 10,502 (2021: TEUR 11,071) and no financial liabilities as of December 31, 2022.

Wienerberger AG and its subsidiaries finance associates, joint ventures and non-consolidated subsidiaries through loans granted at arm's length conditions. The outstanding loan receivables due from joint ventures amounted to TEUR 17,079 as of December 31, 2022 (2021: TEUR 16,494), while the comparable amount for non-consolidated subsidiaries was TEUR 4,043 (2021: TEUR 4,912). In addition, trade receivables due from joint ventures amounted to TEUR 204 (2021: TEUR 419), including the sale of an asset, while the comparable amount for non-consolidated subsidiaries was TEUR 559 (2021: TEUR 27) as of the balance sheet date. Revenues of TEUR 1,308 were recognized with joint ventures in 2022 (2021: TEUR 4,863).

Other related party transactions relate to clay supplies in the amount of TEUR 1,044 (2021: TEUR 855) as well as rental services of TEUR 320 (2021: TEUR 316) received by non-consolidated subsidiaries. In addition, products in the amount of TEUR 956 (2021: TEUR 834) were sold to a related party in the financial year 2022. Transactions with natural persons as related parties in the reporting year amounted to TEUR 257 (2021: TEUR 270).



39. Significant events after the balance sheet date

In January 2023, the Group acquired 100% of Ziegelwerk Otto Bergmann GmbH in Steinheim, Germany. By the acquisition of this plant, which specializes in the production of high-thermal-insulation clay blocks, the Group is expanding its production capacities and strengthening its regional market position. In February 2023, 100% of Komproment Holding af 2007 ApS, and thus 100% of its direct subsidiaries Krompoment ApS and Krompoment Danish Building Design ApS in Støvring, Denmark, were taken over. The Komproment Group is a leading provider of claddings and façade solutions. Both companies were consolidated for the first time in the first quarter of 2023, with the purchase price allocation being provisional for the time being.

The consolidated financial statements were prepared by the Managing Board of Wienerberger AG on March 14, 2023, and submitted to the Supervisory Board on March 24, 2023, for authorisation for issue.

Vienna, March 14, 2023

The Managing Board of Wienerberger AG

Heimo Scheuch
Chairman of the Managing
Board of Wienerberger AG
CEO

Gerhard Hanke
Member of the Managing
Board of Wienerberger AG
CFO

Solveig Menard-Galli
Member of the Managing
Board of Wienerberger AG
COO WBS

Harald Schwarzmayr
Member of the Managing
Board of Wienerberger AG
COO WPS



Statement by the Managing Board

We confirm to the best of our knowledge that the consolidated 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 the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces

Vienna, March 14, 2023

The Managing Board of Wienerberger AG

Heimo Scheuch
Chairman of the Managing
Board of Wienerberger AG
CEO

Gerhard Hanke
Member of the Managing
Board of Wienerberger AG
CFO

Solveig Menard-Galli
Member of the Managing
Board of Wienerberger AG
COO WBS

Harald Schwarzmayer
Member of the Managing
Board of Wienerberger AG
COO WPS



Group companies

Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Wienerberger International N.V.	Zaltbommel	50,001	EUR	100.00%	VK	
Wienerberger Roof Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Österreich GmbH	Wien	5,000,000	EUR	100.00%	VK	
Wienerberger Bausysteme GmbH	Wien	35,000	EUR	100.00%	VKE	
Wienerberger zRt.	Budapest	5,000,000	HUF	100.00%	VK	
Wienerberger s.r.o.	České Budějovice 1	50,000,000	CZK	100.00%	VK	
Cihelna Kinský, spol. s r. o.	Kostelec nad Orlicí	2,000,000	CZK	68.80%	VK	
Wienerberger eurostroj, spol. s r. o.	České Budějovice 1	32,100,000	CZK	100.00%	VK	
Silike keramika, spol. s r.o	České Budějovice 1	100,000	CZK	50.00%	EQ	
Wienerberger s.r.o.	Zlaté Moravce	3,319,392	EUR	100.00%	VK	
Wienerberger Ceramika Budowlana Sp. z o.o.	Warszawa	374,324,808	PLN	100.00%	VK	
Handel Ceramika Budowlana Sp. z o.o.	Warszawa	50,000	PLN	100.00%	OK	1)
Wienerberger d.o.o.	Karlovac	8,988,000	HRK	100.00%	VK	
Wienerberger d.o.o.	Sarajevo	2,000	BAM	100.00%	VK	
Wienerberger Opekarna Ormož d.o.o.	Križevci pri Ljutomeru	951,986	EUR	100.00%	VK	
Opekarna Pragersko d.o.o.	Pragersko	1,022,743	EUR	100.00%	VK	
Wienerberger Backa d.o.o	Kanjiza	651,652	EUR	100.00%	VK	
WIENERBERGER S.R.L.	Bucuresti	39,147,100	RON	100.00%	VK	
Wienerberger TOV ("in liquidation")	Kyiv	3,000,000	UAH	100.00%	VK	
Semmelrock International GmbH	Wien	3,000,000	EUR	100.00%	VK	
Semmelrock Baustoffindustrie GmbH	Wien	1,000,000	EUR	100.00%	VK	
Semmelrock Stein + Design GmbH	Wien	35,000	EUR	100.00%	VK	
Semmelrock Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
SEMMLROCK STEIN + DESIGN Dlazby s.r.o.	Sered	3,027,286	EUR	100.00%	VK	
Semmelrock Stein & Design d.o.o.	Ogulin	22,870,000	HRK	100.00%	VK	
Semmelrock Stein & Design Sp. z o.o.	Warsaw	46,000,000	PLN	100.00%	VK	
Semmelrock Stein + Design S.R.L.	Bolintin-Vale	1,328,400	RON	100.00%	VK	
Semmelrock Stein + Design Dlazby s.r.o.	Ledcice	2,000,000	CZK	100.00%	VK	
Semmelrock Stein und Design EOOD	Sofia	11,500,000	BGN	100.00%	VK	
Wienerberger GmbH	Hannover	9,500,000	EUR	100.00%	VK	
Schlagmann Beteiligungs GmbH	Zeilarn	26,000	EUR	50.00%	OK	1)
Schlagmann Poroton GmbH & Co KG	Zeilarn	10,300,000	EUR	50.00%	EQ	
Schlagmann Poroton Vertriebs GmbH	Zeilarn	25,000	EUR	50.00%		4)
Tongruben Verwaltungs GmbH	Hannover	26,000	EUR	100.00%	OK	1)
Argeton GmbH	Hannover	100,000	EUR	100.00%	VK	
Wienerberger Deutschland Service GmbH	Hannover	1,000,000	EUR	100.00%	VK	
RM 2964 Vermögensverwaltungs GmbH	Zeilarn	25,000	EUR	50.00%		4)
MR Erwerbs GmbH & Co. KG	Zeilarn	50,000	EUR	50.00%		4)
Redbloc Elemente GmbH	Plattling	25,000	EUR	15.00%		4)



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Redbloc Systems Deutschland GmbH	Plattling	25,000	EUR	12.50%		4)
Mayr Dachkeramik GmbH	Salching	25,565	EUR	100.00%	VKE	
Ammonit Vermögensverwaltungs GmbH	Hannover	25,000	EUR	100.00%	VK	
Ammonit GmbH. & Co. KG	Hannover	100	EUR	100.00%	VK	
Wienerberger S.p.A.	Mordano	10,000,000	EUR	100.00%	VK	
Fornaci Giuliani S.r.l.	Cormons	100,000	EUR	30.00%	EQ	
Wienerberger NV	Kortrijk	47,557,745	EUR	100.00%	VK	
Wienerberger Asset Management NV	Zonnebeke	5,240,053	EUR	100.00%	VK	
Deva-Kort NV	Kortemark	247,894	EUR	100.00%	VK	
TV Vanheede-Wienerberger	Kortrijk	0	EUR	50.00%	EQ	
Struxura BV	Poperinge	20,000	EUR	100.00%	VK	
Struxys BV	Poperinge	18,600	EUR	100.00%	VK	
Wienerberger B.V.	Zaltbommel	36,778,680	EUR	100.00%	VK	
Van Hesteren & Janssens B.V.	Zaltbommel	363,024	EUR	100.00%	VK	
BrickTrading Holland B.V.	Zaltbommel	18,000	EUR	100.00%	VK	
German Brick Trading B.V.	Zaltbommel	249,700	EUR	100.00%	VK	
Aberson B.V.	Zwolle	60,000	EUR	100.00%	VK	
Aberson SmartBuild BV	Zwolle	1	EUR	100.00%	VK	
DEKO Beheer BV	Elst	18,000	EUR	100.00%	VK	
Bricks BV	Elst	15,750	EUR	100.00%	VK	
Bricks GBMH	Rhede	25,000	EUR	100.00%	VK	
Deko Industrieel BV	Elst	1,000	EUR	100.00%	VK	
Deko Mobiele Steenzagerij BV	Elst	10,000	EUR	100.00%	VK	
Deko Produkten BV	Elst	18,000	EUR	100.00%	VK	
Deko Solutions BV	Elst	1,000	EUR	100.00%	VK	
Deko Steenzagerij BV	Elst	18,000	EUR	100.00%	VK	
Steinzentrale Nord Leeuwis GmbH	Rellingen	52,500	EUR	100.00%	VK	
EXA IP B.V.	The Hague	100.00	EUR	50%	EQ	
Wienerberger Limited	Cheadle	81,120,552	GBP	100.00%	VK	
Galileo Brick Limited (in Liquidation)	Cheadle	2,000,000	GBP	100.00%	VK	
Chelwood Group Unlimited (in Liquidation)	Cheadle	1	GBP	100.00%	VK	
The Brick Business Limited (in Liquidation)	Cheadle	900,002	GBP	100.00%	VK	
Sandtoft Roof Tiles Limited	Cheadle	11,029	GBP	100.00%	VK	
Building Product Design Limited	Sale	612,720	GBP	100.00%	VK	
Richmond GmbH	Königswinter	25,000	EUR	100.00%	VK	
WIENERBERGER PARTICIPATIONS SAS	Achenheim	36,000,000	EUR	100.00%	VK	
WIENERBERGER SAS	Achenheim	63,000,000	EUR	100.00%	VK	
Briqueterie de Rouffach SAS	Achenheim	336,120	EUR	100.00%	VK	



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Egernsund Wienerberger A/S	Helsingør	11,765,882	DKK	100.00%	VK	
Wienerberger AS	Oslo	43,546,575	NOK	100.00%	VK	
Wienerberger AB	Malmö	17,550,000	SEK	100.00%	VK	
Egernsund Wienerberger Production A/S	Sonderborg	1,602,000	DKK	100.00%	VK	
Egernsund Tegl a.m.b.a.	Egernsund	9,000,000	DKK	100.00%	VK	
General Shale Brick Inc.	Johnson City	1,000	USD	100.00%	VK	
General Shale Building Materials, Inc.	Johnson City	1,000	USD	100.00%	VK	
Watsonstown Brick Company	Watsonstown	72,050	USD	100.00%	VK	
Pipelife Jet Stream, Inc.	Siloam Springs	0	USD	100.00%	VK	
Meridian Brick LLC	Alpharetta	0	USD	100.00%	VK	
Arriscraft Canada Inc.	Halifax	42,300,000	CAD	100.00%	VK	
Meridian Brick Canada Ltd	Vancouver	1	CAD	100.00%	VK	
Wienerberger EOOD	Sofia	12,500,000	BGN	100.00%	VK	
Uspeh AD	Sofia	2,141,220	BGN	99.66%	VK	
ООО „Wienerberger Kirpitsch“	Kiprevo	612,694,577	RUB	100.00%	VK	
ООО „Wienerberger Kurkachi“	Kurkachi	568,418,785	RUB	100.00%	VK	
Wienerberger OY AB	Helsinki	1,000,000	EUR	100.00%	VK	
Wienerberger AS	Aseri	1,540,736	EUR	100.00%	VK	
UAB Wienerberger Statybina Keramik	Vilnius	2,925	EUR	100.00%	VK	
Wienerberger India Private Limited	Bangalore	990,000,000	INR	100.00%	VK	
WBI Industries Private Limited	Chennai	1,000,000	INR	100.00%	VK	
PIPELIFE International GmbH	Wien	29,000,000	EUR	100.00%	VK	2)
PIPELIFE Austria GmbH & Co KG	Wien	4,360,370	EUR	100.00%	VK	
PIPELIFE Austria GmbH	Wien	36,337	EUR	100.00%	VK	
Pipelife Always Part of your Life GmbH	Wien	35,000	EUR	100.00%	VK	
Pipelife Pipes for Life GmbH	Wien	35,000	EUR	100.00%	VK	
Pipelife Belgium NV	Kalmthout	510,926	EUR	100.00%	VK	
Pipelife Bulgaria EOOD	Botevgrad	30,000	BGN	100.00%	VK	
Pipelife Czech s.r.o.	Otrokovice	202,971,000	CZK	100.00%	VK	
PIPELIFE Deutschland Asset Management GmbH	Bad Zwischenahn	26,000	EUR	100.00%	VK	
PIPELIFE Deutschland GmbH & Co. KG	Bad Zwischenahn	5,000	EUR	100.00%	VK	
PIPELIFE Deutschland Verwaltungs-GmbH	Bad Zwischenahn	5,726,469	EUR	100.00%	VK	



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Pipelife Eesti AS	Harjumaa	25,024	EUR	100.00%	VK	
Pipelife Finland OY	Oulu	33,637	EUR	100.00%	VK	
Talokaivo Oy	Vantaa	2,000,000	EUR	100.00%	VK	
Pipelife France SNC	Gaillon	35,605,800	EUR	100.00%	VK	
Pipelife Hellas S.A. (in Liquidation)	Thiva	2,343,999	EUR	100.00%	VK	
PIPELIFE-HRVATSKA cijevni sustavi d.o.o.	Sveta Nedelja	47,171,500	HRK	100.00%	VK	
Vargon d.o.o	Kukuljanovo	8,210,100	HRK	79.67%	VKE	
Pipelife Hungaria Kft.	Debrecen	3,123,520,000	HUF	100.00%	VK	
QUALITY PLASTICS HOLDINGS LTD	Cork	635,000	EUR	100.00%	VK	
Cherry Blossom Avenue Limited	Cork	343,503	EUR	100.00%	VK	
Pipelife Ireland Solutions Limited	Cork	487,500	EUR	100.00%	VK	
Kenfern Investments Ltd (in Liquidation)	Cork	447	EUR	100.00%	OK	1)
Pipelife UK Ltd	Corby	244,001	GBP	100.00%	VK	
FloPlast Limited	Sittingbourne	30,000	GBP	100.00%	VK	
Pipelife Latvia SIA	Riga	426,600	EUR	100.00%	VK	
Soluforce B.V.	Enkhuizen	10,000	EUR	100.00%	VKE	
Pipelife Nederland B.V.	Enkhuizen	11,344,505	EUR	100.00%	VK	
Pipelife Finance B.V.	Enkhuizen	18,000	EUR	100.00%	VK	
Inter Act B.V.	Apeldoorn	1	EUR	100.00%	VK	
Inter ACT industrial automation B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
TeleControlNet B.V.	Apeldoorn	20,000	EUR	100.00%	VK	
Inter Act GmbH.	Nordhorn	25,000	EUR	100.00%	VK	
Pipelife Norge AS	Surnadal	50,000,000	NOK	100.00%	VK	
QPS AS	Levanger	400,000	NOK	100.00%	VKE	
Pipelife Polska S.A.	Krokowa	112,243,963	PLN	100.00%	VK	
Pipelife Romania S.R.L.	Bucuresti	7,323,115	RON	100.00%	VK	
Pipelife Serbia d.o.o.	Beograd	168,493,895	RSD	100.00%	VK	
Pipelife RUS LLC	Zhukov	104,458,072	RUB	100.00%	VK	
Pipelife Hafab AB	Haparanda	3,000,000	SEK	100.00%	VK	
Pipelife Nordic AB	Ölsremma	167,000,000	SEK	100.00%	VK	
Pipelife Sverige AB	Ljung	3,600,000	SEK	100.00%	VK	
Isoterm AB	Stenkullen	200,000	SEK	100.00%	VK	
Pipelife Slovenija d.o.o.	Trzin	843,258	EUR	100.00%	VK	
Pipelife Slovakia s r.o.	Piestany	6,700	EUR	100.00%	VK	
Arili Plastik Sanayii A.S.	Pendik/Istanbul	39,616,800	TRY	100.00%	VK	
Preflexibel Invest NV	Ninove	1,200,000	EUR	100.00%	VK	
Preflexibel NV	Ninove	312,000	EUR	100.00%	VK	
Preflexibel France SAS	Salindres	370,000	EUR	100.00%	VK	
Preflex France SAS	Salindres	46,500	EUR	100.00%	VK	
Wienerberger Dach Beteiligungs GmbH	Wien	500,000	ATS	100.00%	VK	
WIBRA Tondachziegel Beteiligungs-GmbH	Wien	500,000	ATS	100.00%	VK	
Tondach Beteiligungs GmbH	Wien	200,000	EUR	100.00%	VK	



Company	Headquarters	Share capital	Currency	Interest in %	Type of consolidation	Notes
Tondach Gleinstätten GmbH	Gleinstätten	500,000	EUR	100.00%	VK	3)
Wienerberger doo Kanjiza	Kanjiza	605,394,000	RSD	100.00%	VK	
Wienerberger DOOEL Vinica	Vinica	349,460,010	MKD	100.00%	VK	
TONDACH Ingatlanhasznosító Zrt.	Budapest	5,000,000	HUF	100.00%	VK	
TONDACH ROMANIA SRL	Sibiu	36,137,155	RON	100.00%	VK	
Wienerberger Anteilsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Tondach Holding GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Industriebeteiligungsverwaltung GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Finance Service B.V.	Zaltbommel	18,151	EUR	100.00%	VK	
Wienerberger Finanz Service GmbH	Wien	25,435,492	EUR	100.00%	VK	
Wienerberger West European Holding GmbH	Wien	35,000	EUR	100.00%	VK	
WiTa Social Business Venture Holding GmbH	Wien	35,000	EUR	49.00%	EQE	
Dryfix GmbH	Wien	35,000	EUR	100.00%	VK	
Wienerberger Gamma Asset Management GmbH	Wien	35,000	EUR	100.00%	VK	
Steinzeug-Keramo GmbH	Frechen	18,408,000	EUR	100.00%	VK	
Steinzeug - Keramo NV	Hasselt	9,400,000	EUR	100.00%	VK	
Keramo-Wienerberger Immo NV	Hasselt	14,068,558	EUR	100.00%	VK	
SOCIETA DEL GRES S.p.A.	Sorisole	2,000,000	EUR	100.00%	VK	
Steinzeug Keramo s.r.o.	České Budějovice	40,000,000	CZK	100.00%	VK	
Steinzeug - Keramo SARL	Marolles-en-Hurepoix	38,125	EUR	100.00%	VK	
Steinzeug-Keramo Sp. z o.o.	Piekary Slaskie	2,000,000	PLN	100.00%	VK	

VK = Full consolidation

VKE = first time full consolidation

EQ = At equity consolidation

EQE = First time at equity consolidation

OK = No consolidation

OKE = First time no consolidation

1) Immaterial

2) Holding Company of the Pipelife Group

3) Holding company of the Gleinstätten Group

4) Subsidiary of Schlagmann Poroton GmbH & Co KG



Auditor's report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Wienerberger AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 and with the Austrian Generally Accepted Auditing Standards. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria, and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up to the date of our report is sufficient and appropriate to provide a basis for our opinion as of that date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following matters were of most significance for our audit:

1. Assessment of the carrying value of goodwill
2. Assessment of the carrying value of property, plant and equipment

1. Assessment of the carrying value of goodwill

Description and Issue

Goodwill represents a significant amount on the balance sheet (EUR 489 million). The carrying amounts of the assets of the respective cash generating units are compared to their recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount. The value in use calculation involves significant estimates and forward-looking assumptions by management concerning the expected cash surpluses and the cost of capital. Small changes in the assumptions used in determining the value in use can result in materially different outcomes of the impairment tests.

Management describes the approach to assess the carrying value of goodwill in the Section "General Information" in Note 6 "Estimates and Judgements" in the notes to the financial statements. The allocation of the goodwill to the respective cash generating units and the assumptions and valuation results are described in Note 22 "Non-current assets".



The valuation model used for the impairment test necessitates a large number of input factors for the assessment of the market. In case of negative changes in the future development of the assumptions there is a risk that the goodwill is overstated. Due to the complexity of the valuation model and the dependence of the outcome of the impairment test on the management's assessment of the input factors this matter was of particular importance for our audit.

Our Response

We have challenged the parameters used for the impairment testing with entity and industry specific information as well as market expectations from internal and external sources and have assessed the appropriateness of the valuation model. Furthermore, we gained an overview of the planning process and have critically reviewed the back testing performed by the management. We have assessed the consistency of the future cash flows used in the calculation by comparing them to the budgets approved by the supervisory board.

For the verification of the capital costs by the means of a comparative analysis, we have used internal experts.

In cases where the fair value less costs of disposal was used as recoverable amount in the impairment test, we have also involved internal experts to validate the assumptions made in the valuation.

2. Assessment of the carrying value of property, plant and equipment

Description and Issue

The carrying value of property, plant and equipment amounts to EUR 2.269 million, representing 44% of the total assets shown on the consolidated balance sheet of Wienerberger AG. Management assesses on an annual basis, or whenever triggering events are identified, whether the carrying value of property, plant and equipment is impaired. For purposes of the impairment testing within a division plants are aggregated to groups of cash generating units. The carrying amount of the assets is compared to the recoverable amount, which represents the higher of fair value less costs of disposal and the value in use. An impairment loss is recognized when the recoverable amount is lower than the carrying amount.

Management describes the approach to assess the carrying value of property, plant and equipment in the Section "General Information" in Note 6 "Estimates and Judgements" in the notes to the financial statements. The details of the valuation method and the assumptions and valuation results are described in Note 22 "Non-current assets".

The impairment tests involve complex calculations and the assumptions include a degree of uncertainty regarding the future development of cash flows and discount rates. Minor changes in the assumptions can have a significant effect on the outcome of the impairment tests. Therefore, this matter was of particular importance for our audit.

Our Response

We performed similar procedures to those described above in relation to property, plant and equipment impairment testing in respect of the key assumptions used in the impairment model. Therefore, we refer to the section above for further details.

Other Information

Management is responsible for the other information. The other information comprises all information in the annual report, but does not include the consolidated financial statements, the consolidated management report and our auditor's report thereon. We obtained the consolidated corporate governance report (except for the Report of the Supervisory Board included therein) and the consolidated non-financial report prior to the date of this auditor's report, the other parts of the annual report are expected to be made available to us after that date.



Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. With respect to the information in the consolidated management report we refer to the section “Report on the Audit of the Consolidated Management Report”.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis on these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) No 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- › Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- › Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.



- › Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- › Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- › We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Consolidated Management Report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report is prepared in accordance with the applicable legal requirements, includes appropriate disclosures according to section 243a UGB and is consistent with the consolidated financial statements.

Statement

In the light of the knowledge and understanding of the Group and its environment obtained in the course of our audit of the consolidated financial statements, we have not identified material misstatements in the consolidated management report.



Other Matters which we are required to address according to Article 10 of Regulation (EU) No 537/2014

We were appointed as auditors by the annual general meeting on May 3, 2022 and commissioned by the supervisory board on July 6, 2022 to audit the consolidated financial statements for the financial year ending December 31, 2022. We have been auditing the Group since the financial year ending December 31, 2017.

We confirm that our opinion expressed in the section “Report on the Audit of the Consolidated Financial Statements” is consistent with the additional report to the audit committee referred to in Article 11 of Regulation (EU) No 537/2014.

We declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 and that we remained independent of the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Gerhard Marterbauer.

Vienna, March 15, 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer m.p.
Certified Public Accountant

This report is a translation of the audit report according to section 273 of the Austrian Commercial Code (UGB). The translation is presented for the convenience of the reader only. The German wording of the audit report is solely valid and is the only legally binding version. Section 281(2) UGB applies.