

2023 | Report on the first Half-Year

world of **wienerberger**



Key Performance Indicators

Earnings Data		1-6/2023	1-6/2022	Chg. in %	1-12/2022
Revenues	in MEUR	2,202.5	2,571.9	-14	4,976.7
Operating EBITDA ¹⁾	in MEUR	454.1	545.4	-17	1,020.9
EBITDA	in MEUR	448.2	548.8	-18	1,026.2
EBIT	in MEUR	307.4	393.5	-22	721.2
Profit before tax	in MEUR	279.1	373.8	-25	688.3
Profit after tax ²⁾	in MEUR	223.1	320.9	-30	567.9
Free cash flow ³⁾	in MEUR	-137.1	130.9	<-100	597.7
Maintenance Capex	in MEUR	52.5	43.8	+20	134.7
Special Capex	in MEUR	44.1	54.4	-19	217.9
Ø Employees	in FTE	19,195	19,002	+1	19,078

Balance Sheet Data		30/6/2023	31/12/2022	Chg. in %
Equity ⁴⁾	in MEUR	2,568.8	2,450.4	+5
Net debt	in MEUR	1,455.6	1,079.3	+35
Capital employed	in MEUR	3,997.3	3,492.9	+14
Total assets	in MEUR	5,427.9	5,199.3	+4
Gearing	in %	56.7	44.0	-

Stock Exchange Data		1-6/2023	1-12/2022	Chg. in %
Share price high	in EUR	29.98	34.04	-12
Share price low	in EUR	22.54	18.98	+19
Share price at end of period	in EUR	28.04	22.56	+24
Shares outstanding (weighted) ⁵⁾	in 1,000	105,781	109,884	-4
Market capitalization at end of period	in MEUR	3,133.0	2,520.7	+24

Development 1-6/2023 in MEUR and % ⁶⁾	Europe West	Europe East	North America	Group eliminations	Wienerberger Group
External Revenues	1,165.7 (-10%)	614.1 (-23%)	422.3 (-10%)		2,202.2 (-14%)
Revenues	1,180.2 (-11%)	632.9 (-23%)	424.9 (-10%)	-35.5	2,202.5 (-14%)
Operating EBITDA	224.8 (0%)	118.1 (-44%)	111.2 (+1%)		454.1 (-17%)
EBITDA	218.2 (-4%)	117.6 (-44%)	112.3 (+2%)		448.2 (-18%)
EBIT	139.5 (-4%)	74.6 (+32%)	93.2 (+6%)		307.4 (-22%)
Total investments	45.8 (-13%)	39.7 (+16%)	11.1 (-4%)		96.6 (-2%)
Ø Employees (in FTE)	9,165 (0%)	7,667 (+3%)	2,363 (-3%)		19,195 (+1%)

1) Adjusted for effects from sale of non-core assets as well as structural adjustments // 2) attributable to equity holders of the parent company // 3) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus special capex and net payments made for the acquisition of companies // 4) Equity including non-controlling interests // 5) Adjusted for treasury stock // 6) Changes in % to the comparable prior year period are shown in brackets // Explanatory notes to the report: Rounding differences may arise from automatic processing of data.

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CEO Letter

Dear Shareholders,

operating, as expected, in a very difficult environment, the Wienerberger Group successfully held its ground in the first half of the year and the second quarter of 2023. With our clear focus on innovation and cost management, we delivered a strong performance in Europe in the face of significant downward trends in new build and weakening activity in renovation and infrastructure. We saw new build markets slump by over 40% in Eastern Europe, above all in Poland and Hungary. A similar situation prevailed in Germany. By contrast, the performance of our pipe business deserves particular mention. After a highly satisfactory development driven by portfolio optimization and profitability increases in recent years, we are now able to take advantage of our strong position even under the current challenging conditions. In North America, as well, demand weakened as expected. Nevertheless, thanks to the extremely strong performance of our pipe business and the swift integration of Meridian Brick, we delivered a slightly improved result compared to the previous year.

In a challenging market environment, we succeeded once again in maintaining profitability at a high level and even increasing it in some countries. In particular, I would like to highlight the performance of our employees, who are doing an exceptional job. Their commitment and passion have enabled us to master the challenges of these turbulent times and we have proven that our solutions for renovation, infrastructure, and new build are both resilient in times of crisis and fit for the future. This is also reflected in the upgrade of our ISS ESG rating to B-. Thanks to our outstanding performance, we rank among the top five companies of our industry. We have reaffirmed our pioneering role in the field of sustainability and underscored Wienerberger's attractiveness as an ESG investment.

Faced with weakening demand, we instantly reacted with strict cost management and a strong focus on working capital management. We have already taken initial steps aimed at adjusting production capacities by reducing the number of shifts and mothballing the first plants. In combination with optimized capacity utilization in our active plants, these targeted measures have placed us in a perfect position to outperform our end markets even in this challenging environment. With our forward-looking procurement policy for raw materials and energy as well as our proactive pricing policy, we have succeeded in covering the persistently high cost inflation in all regions.

Even compared to the record year of 2022 we generated impressive results, with revenues of € 2,203 million (H1 2022: € 2,572 million) and operating EBITDA of € 454 million (H1 2022: € 545 million) in the first half of 2023. If we compare operating EBITDA for the first half of 2023 with the sustainable operating EBITDA of € 490 million for the first half of 2022 (adjusted by € 55 million extraordinary results), Wienerberger's strength and resilience in coping with such challenging conditions becomes all the more apparent. This strong performance is based on the continuing transformation of the company into a provider of innovative and sustainable system solutions for ecological new build, renovation, and water management, as well as the increased resilience of our business model. Additionally, the continuation of our proven self-help program aimed at earnings growth and efficiency enhancement contributed a satisfactory amount of € 22 million to earnings.

In December 2022 we announced our intention to acquire significant parts of the Terreal Group, which will be the biggest step ever within the framework of Wienerberger's value-accretive growth strategy. By taking over this successful European provider of innovative roof and solar solutions, we will significantly expand our footprint in renovation and repair and evolve into Europe's leading pitched-roof expert. Overall, the transaction comprises 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 the second half of 2023 and is subject to approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this size.



In the record-breaking year of 2022, we generated sustainable operating EBITDA, adjusted for non-recurrent factors, of € 910 million. For the second half of 2023 we expect to see continued stable demand in North America, albeit at a lower level, whereas we foresee further reductions in Western Europe and a stabilization of markets in Eastern Europe. Faced with a significantly lower level of market activity in 2023, we are implementing strict cost and working capital management measures and continuing our self-help program. We are adhering to our value-accretive growth strategy, focusing on innovation and the further enhancement of our competence in providing sustainable system solutions.

Overall, our end markets developed significantly weaker than initially assumed. For the 2023 financial year, we nevertheless continue to expect a strong performance and will generate operating EBITDA of € 800-820 million. Earnings contributions of the Terreal Group are not included.

Heimo Scheuch

Chairman of the Managing Board of Wienerberger
CEO



Executive Summary

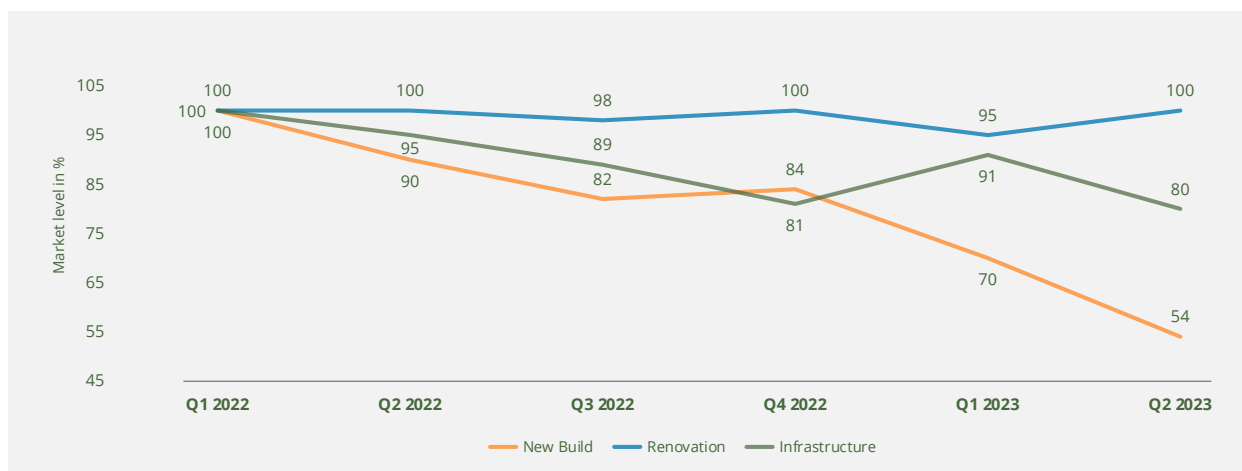
Strong results in a weak market environment

- › Reorientation of Wienerberger Group proves effective
- › Wienerberger sustains its strong position in a weakening market environment
- › Steep rise in interest rates, especially outside the euro area, restrictive mortgage lending, and general weakening of economic outlook reduced significantly investments in new build as well as in renovation and infrastructure

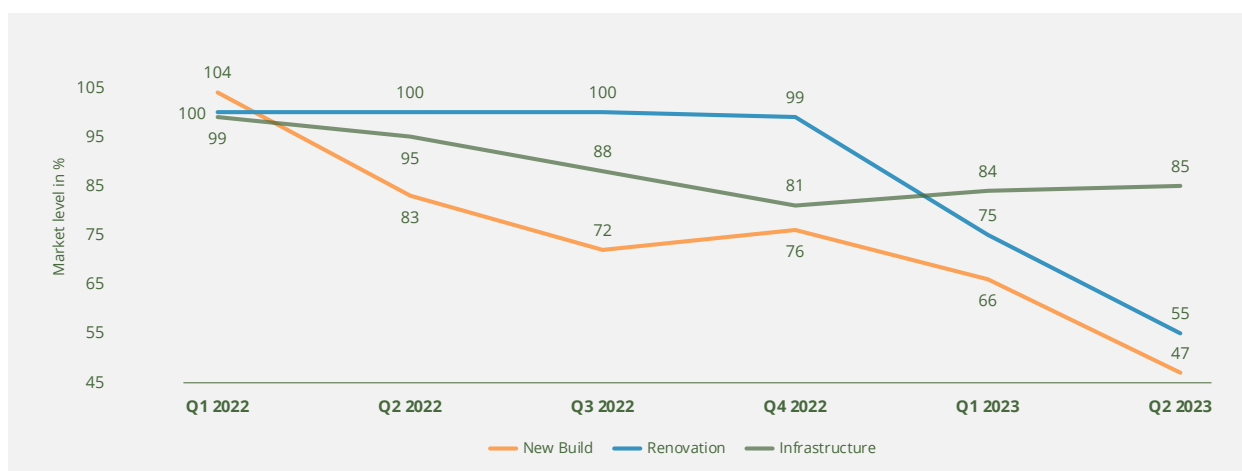
Performance of Wienerberger's end markets¹

- › Most severe downturn seen in new build – by more than 40% in Eastern Europe and Germany
- › North America shows more resilience than Europe

End market development Europe West



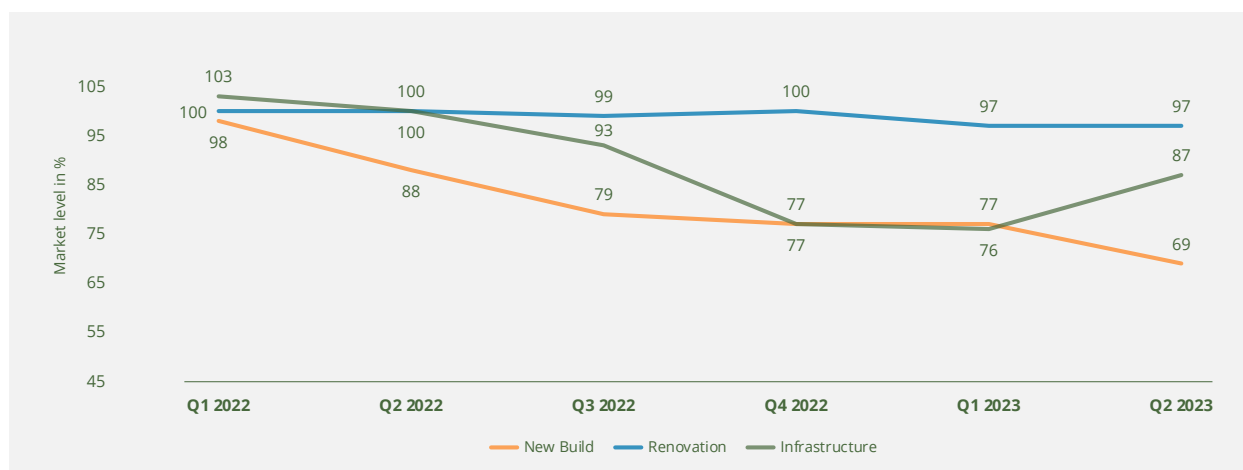
End market development Europe East



1) Market level development with base year 2021 = 100 weighted over the quarters // Company estimates based on weighted end market volume development



End market development North America



Wienerberger's proactive management

- › Swift adjustments to significantly weaker end markets
- › Proactive cost management aimed at swift flexibilization of fixed costs already started in H2 2022 and successfully continued in H1 2023 with savings of € 29 million
- › Clear outperformance of end markets and strong solution business sustain Wienerberger's high profitability

2023 Outlook

- › Market environment remains sluggish
- › Initiatives by local governments and the European Union are required in order to revitalize markets
- › Wienerberger intensifies its strict measures aimed at more flexible cost structures and continues active working capital management in the second half of 2023
- › End markets developed significantly weaker than initially assumed; for 2023, we nevertheless continue to expect a strong performance and will generate operating EBITDA of € 800-820 million. Earnings contributions of the Terreal Group are not included.



Interim Management Report

Financial Review

Earnings

Owing to persistently high inflation and rising interest rates, the first half of 2023 was marked by softening demand in all of Wienerberger's major end markets. Nevertheless, the Wienerberger Group succeeded in maintaining its market share and improving its price level, generating Group revenues of € 2,202.5 million (H1 2022: € 2,571.9 million). Revenues include contributions of € 30.7 million from the integration of companies acquired during the past 12 months. Negative currency translation effects came to € -31.5 million and were primarily attributable to the devaluation of the British pound, the Turkish lira, and the Norwegian crown, which were only partly offset by the appreciation of the US dollar and the Czech crown.

Despite the challenging market environment, profitability was maintained at a very high level through excellent price and cost management. In the first half of 2023, EBITDA amounted to € 448.2 million (H1 2022: € 548.8 million), including contributions to earnings from acquisitions in the amount of € 4.2 million as well as negative currency translation effects of € 4.6 million. Operating EBITDA, adjusted for income of € 3.5 million from the sale of non-core assets and structural adjustments of € -9.4 million, totaled € 454.1 million (H1 2022: € 545.4 million).

The operating result before interest and tax (EBIT) for the first half of the year came to € 307.4 million (H1 2022: € 393.5 million). As a result of rising financing costs, the financial result changed from € -19.7 million in the previous year to € -28.3 million, with higher interest expenses partly offset by earnings from advantageous interest hedges of € 2.7 million.

Taking into account the tax expense of € -55.6 million (H1 2022: € -52.7 million), the Wienerberger Group generated a profit after tax of € 223.5 million (H1 2022: € 321.1 million). Excluding € 0.4 million (H1 2022: € 0.2 million) attributable to non-controlling interests, the net result amounted to € 223.1 million (H1 2022: € 320.9 million). Earnings per share in the reporting period came to € 2.11 (H1 2022: € 2.84).

Cashflow

In the reporting period gross cash flow amounted to € 361.7 million (H1 2022: € 483.6 million). Given the lower level of earnings development and the build-up of working capital, cash flow from operating activities resulted in a cash outflow of € -64.5 million (H1 2022: € 192.8 million).

Cash flow from investing activities totaled € -150.1 million (H1 2022: € -102.6 million), primarily comprising investments in tangible and intangible non-current assets. € 44.1 million thereof (H1 2022: € 54.4 million) was attributable to discretionary growth investments and investments in ESG (special capex) and € 52.5 million was attributable to maintenance capex (H1 2022 € 43.8 million). A total of € 62.4 million (H1 2022: € 14.5 million) was spent on acquisitions of companies in Germany, Denmark and Sweden.

In the first half of the year, cash flow from financing activities amounted to € 59.8 million (H1 2022: € -247.0 million) primarily due to the increase in short-term financial liabilities and the payout of dividends. In total, the change in the Group's cash position, as compared to 31/12/2022, amounted to € -154.8 million (H1 2022: € -156.9 million). Owing to the decrease in earnings and the build-up of working capital, free cash flow was negative in the first six months of the year, amounting to € -137.1 million (H1 2022: € 130.9 million).

Assets and Financial Position

Capital employed increased to € 3,997.3 million as at 30/06/2023 (31/12/2022: € 3,492.9 million), the main drivers being M&A activities and rising inventory levels. Working capital rose to € 1,249.8 million in the first half of the year (31/12/2022: € 789.6 million). Inventories increased by 16% from € 1,036.2 million as at 31/12/2022 to € 1,204.3 million, a development that was predominantly volume-driven (11%).

Compared to 2022 year-end, the Group's equity increased by € 118.4 million to € 2,568.8 million. Net debt increased from the 31/12/2022 level by € 376.3 million to € 1,455.6 million, primarily due to the seasonal increase in working capital, higher short-term financial liabilities, the buyback of own shares, and the payout of dividends.

For the disclosure of related party transactions pursuant to Sec 125 (4) of the Austrian Stock Exchange Act, we refer to the corresponding disclosure in the Condensed Notes to the Interim Financial Statements.



Operating Segments

- › Europe: Strong downturn in newbuild (especially in Eastern Europe), weakening activity in renovation and infrastructure sector.
- › North America: Solid demand in line with our expectations.
- › Strong performance owed to focus on innovation, system solutions, strict cost management, and self-help program.

Europe West

Europe West		1-6/2023	1-6/2022	Chg. in %
External Revenues	in MEUR	1,165.7	1,300.3	-10
Operating EBITDA	in MEUR	224.8	225.5	-0
EBITDA	in MEUR	218.2	227.3	-4
Operating EBITDA margin	in %	19.3	17.3	-

Region Europe West, which reports on our markets in Northern and Western Europe, provides system solutions for the entire building envelope (wall, roof, and façade), as well as pavements, wastewater and rainwater disposal, sanitation, heating and cooling installations, and energy, gas, and drinking water supply. External revenues decreased by 10% to € 1,165.7 million compared to the previous year's record result (H1 2022: € 1,300.3 million). Operating EBITDA remained stable at € 224.8 million (H1 2022: € 225.5 million).

The first half of the year was characterized by persistently high inflation and rising interest rates. The decline in demand due to declining affordability was most evident in new build, particularly in the UK, Belgium, Germany, the Netherlands, and France. The Nordic countries saw a decline in housing starts, but we benefited from our stronger presence in multi-family residential, commercial, and public buildings. The in-house pipe business followed the trend in new build and was also affected by an overall decline in demand. Despite the current downward trend in new housing construction, the demand for housing is higher than it has been in the past 15 years.

Energy-efficient renovation is continuously increasing in importance. This is reflected in a steadily growing renovation share, especially in the roofing business. We therefore saw satisfactory demand for our roofing solutions across all regions. In Belgium and France, in particular, legal regulations and subsidies for energy-efficient renovation had a positive impact on our business performance. In addition, our UK roofing business benefited from our disproportionate exposure to the renovation and social housing sectors.

In infrastructure, high inflation and increased costs dampened the awarding of public procurement contracts. Accordingly, we see declining demand in our plastic pipe business for infrastructure solutions. Through the acquisition of FloPlast and Cork Plastics in Great Britain and Ireland in 2021, Wienerberger enlarged its portfolio for the attractive renovation business by introducing solutions for roofline, rainwater, and drainage. In combination with our existing roofing portfolio, we were able to leverage significant synergies and increase our market share in the renovation market by providing water management solutions.

Through disciplined cost management, we adapted to the changed market environment – particularly in Germany – and were able to maintain our market shares across the region despite challenging external conditions. In addition, our efficiency enhancement program delivered pleasing contributions to earnings. Increases in personnel and maintenance costs due to inflation were compensated by lower costs for plastic granules. Thanks to our proactive price management, we managed to increase our profitability compared to the previous year, despite softening demand.

With the acquisition of Komproment ApS in the first quarter and the Danish Strøjer Group in the second quarter of 2023, we are further expanding our sustainable range of innovative façade solutions and increasing our market share in the Nordic countries. The acquisition of Wideco Sweden, which also was closed in the second quarter, strengthens our position in energy and water management solutions in Scandinavia with its smart mobile applications and expertise in developing innovative Internet of Things (IoT) solutions.

In December 2022, Wienerberger announced its intention of acquiring significant parts of the Terreal Group, a successful European provider of innovative roof and solar solutions. For Wienerberger, this acquisition will be the biggest step ever within the framework of the company's value-creating growth strategy. By taking over Terreal's business in Germany, France, Italy, Spain, and the US, Wienerberger will significantly expand its footprint in renovation and repair and evolve into Europe's leading pitched-roof expert.



Overall, the transaction comprises almost 3,000 employees, 29 production sites, and expected annual revenues of approximately € 740 million. The transaction is to be closed in the course of the second half of 2023 and is subject to approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this size.

Europe East¹

Europe East		1-6/2023	1-6/2022	Chg. in %
External Revenues	in MEUR	614.1	800.2	-23
Operating EBITDA	in MEUR	118.1	210.1	-44
EBITDA	in MEUR	117.6	211.1	-44
Operating EBITDA margin	in %	19.2	26.3	-

Region Europe East provides solutions for the building envelope (wall and roof) as well as pavements, wastewater and rainwater disposal, sanitation, heating and cooling installations, and energy, gas, and drinking water supply. During the first six months of the business year, external revenues, compared to the record-breaking first half of 2022, dropped by 23% to € 614.1 million (H1 2022: € 800.2 million). Operating EBITDA amounted to € 118.1 million in the first half of 2023 (H1 2022: € 210.1 million).

Surging inflation and double-digit interest rates significantly depressed real purchasing power in our Eastern European core markets. This development was reflected in a steep decline in sales volumes in both private and public-sector business in all our end markets. New residential construction, including our in-house pipe business, was particularly hit by these developments, with second-quarter demand continuing on the downward trend already seen in the first quarter of the year. The need for new housing remains high throughout Eastern Europe, which can currently not be met due to reduced affordability and the lack of financial feasibility. First signs of a slowdown of the reduction in mortgage lending and slightly falling inflation rates were recorded towards the end of the first half of the year.

In the renovation market, as well, reduced affordability and the absence of government subsidy programs led to a steep drop in demand from both private and public-sector customers.

Demand in the infrastructure sector remained stable overall, but numerous projects had to be postponed because they were no longer affordable or could not be financed. Billions in funding from the European Union have still not been paid out to Poland and Hungary. Thus, as in the previous quarter, numerous infrastructure projects in these markets were not implemented. However, we see consistently high demand for our innovative irrigation systems.

Faced with softening demand, we reacted swiftly with proactive cost management. We therefore adjusted production capacities of our plants by reducing the number of shifts and by consumption of unused vacation days. In Hungary, which was the most severely affected market, two plants were temporarily shut down in the second quarter. Among other things, an optimized capacity utilization of the remaining plants but also their CO₂-emissions were taken into account.

The measures taken, including strict and disciplined cost and price management as well as adjusted production capacities, partly compensated the reduction in sales volumes. We therefore succeeded in maintaining a high level of profitability and keeping our market share stable.

1) Including our business in the emerging markets



North America

North America		1-6/2023	1-6/2022	Chg. in %
External Revenues	in MEUR	422.3	470.6	-10
Operating EBITDA	in MEUR	111.2	109.8	+1
EBITDA	in MEUR	112.3	110.3	+2
Operating EBITDA margin	in %	26.3	23.3	-

The region North America provides ceramic facade as well as piping solutions on both residential and commercial construction projects. The pipe business offers solutions for sustainable water supply, rainwater sewage, and environmentally conscious wastewater disposal. In the first half of the year, we recorded external revenues of € 422.3 million (H1 2022: € 470.6 million). By contrast, operating EBITDA increased by 1% from € 109.8 million to € 111.2 million.

The brick business developed very favorably during the first half-year with an increase in external revenues compared to the previous year, although demand in North American new residential construction was dampened by the continuing high interest rate level, resulting in lower affordability. The need for new residential construction remains high. The southeastern US experienced high migration rates and corresponding high housing demand, while individual areas of Canada experienced seasonally warm weather and high demand.

The successful integration of Meridian Brick allowed for a quick realization of synergies, exceeding expectations. Overall, Meridian Brick made a significant contribution to strong earnings growth in our North American façade business. Inflation-driven increases in production cost were mitigated by forward-looking cost and price management. Overall, we succeeded in improving profitability in the North American brick business.

In the plastic pipe business, demand remained stable through the first half of the year. Prices for plastic granules continued to stabilize, after reaching a peak in the summer months of 2022. Disciplined approaches to pricing and project selection lead to strong margins and another extremely pleasing contribution to earnings.



Financials of Second Quarter of 2023

In the second quarter of 2023, demand in Europe continued to weaken across all product groups as a result of persistently high interest rates and inflation stabilizing at a high level. Although markets were sluggish in North America as well, external revenues from the brick business improved. Overall, performance in region North America was therefore stable to slightly positive. Region Europe West reported stable performance of its renovation business, primarily attributable to government support programs for the renovation of buildings. Thanks to our forward-looking pricing policy and strict cost management, we again succeeded in closing the second quarter with a satisfactory result.

External revenues in MEUR	4-6/2023	4-6/2022	Chg. in %
Europe West	609.7	700.1	-13
Europe East	313.2	451.6	-31
North America	227.1	263.1	-14
Wienerberger Group	1,150.0	1,414.8	-19

Operating EBITDA in MEUR	4-6/2023	4-6/2022	Chg. in %
Europe West	122.5	127.3	-4
Europe East	59.1	125.3	-53
North America	63.9	67.3	-5
Wienerberger Group	245.4	319.9	-23

Europe West

In total, region Europe West generated external revenues of € 609.7 million (H1 2022: € 700.1 million) and operating EBITDA of € 122.5 million (H1 2022: € 127.3 million) in the second quarter of 2023. In new housing construction, the decline in demand seen in the previous quarter continued, driven by further interest rate hikes. Supported by legal regulations and subsidies, energy-efficient renovation is continuously gaining in importance. Demand for our roof solutions therefore was above the previous year's level across all countries. In the infrastructure sector, increased costs dampened the awarding of public contracts. Accordingly, we recorded declining demand in the plastic pipe business.

Following the acquisition of Komproment ApS in the first quarter and the Danish Strøjer Group in the second quarter of 2023, we are further expanding our sustainable range of innovative façade solutions and increasing our market share in the Nordic countries. The acquisition of Wideco Sweden, which also was closed in the second quarter, enlarges our footprint in energy and water management solutions in Scandinavia with its smart mobile applications and expertise in developing innovative Internet of Things (IoT) solutions.

Europe East

Compared to the previous year, external revenues of Region Europe East declined to € 313.2 million (H1 2022: € 451.6 million). Operating EBITDA dropped to € 59.1 million (H1 2022: € 125.3 million). Double-digit mortgage lending rates and significantly weakening economic activity resulted in a massive drop in new residential construction in our Eastern European core markets. The renovation segment and thus our roofing business in particular were negatively impacted by the substantial reduction in affordability and the lack of government subsidies. In the infrastructure segment, sales volumes suffered due to the postponement of projects and the non-disbursement of EU funding to Poland and Hungary.

In this deteriorating economic environment, we responded with targeted cost management by reducing our production capacities and optimizing plant utilization. Two plants in Hungary were temporarily shut down.



North America

In the second quarter of the financial year, Region North America reported external revenues of € 227.1 million (H1 2022: € 263.1 million). By contrast, operating EBITDA remained more or less stable at € 63.9 million (H1 2022: € 67.3 million). As anticipated, the second quarter of 2023 saw difficult economic conditions stemming from the first quarter continue. However, the US recorded a slight improvement in residential construction starts and brief revitalization of demand in select areas of Texas. The pipe solutions business saw infrastructure projects grow throughout the US.



Outlook 2023

At the beginning of the business year we published our assessment of developments to be expected in our end markets for new build, renovation, and infrastructure as a scenario for 2023. However, persistently high inflation and ever-increasing financing costs dampened market developments more strongly than originally anticipated, especially in Europe, whereas end markets in North America performed in line with our expectations. We assume that the market environment will remain challenging in the second half of 2023. We are therefore adjusting our assessment regarding the expected development in 2023 for our end markets developments as follows:

	Europe (previously)	Europe (adjusted)	North America
New build	-15%	-30%	-20%
Renovation	-3%	-15%	-3%
Infrastructure	-5%	-10%	-5%

While we foresee a further downturn in the Western European new build markets, we expect a stabilization in Eastern Europe. In North America we assume continued stable demand at a lower level. Nevertheless, the need for housing remains persistently high in our markets.

Against the backdrop of rising energy prices and stricter regulations on energy efficiency, the renovation of buildings, with a special focus on the refurbishment of roofs, is steadily gaining in importance. In the Western European renovation market we expect to see stable to slightly declining demand, albeit at a high level, while renovation activities in Eastern Europe will be further muted due to reduced affordability.

The need for infrastructure modernization, especially regarding water supply networks in Europe and the US, remains as high as ever. However, high financing costs are having a dampening effect on demand, especially in the European renovation and infrastructure markets. For the second half of 2023 we anticipate stable development at a low level in Eastern Europe, but reckon on a slight improvement over the first half of the year in the Western European infrastructure market.

In December 2022, Wienerberger announced its intention of acquiring significant parts of the Terreal Group, a successful European provider of innovative roof and solar solutions. The transaction is to be closed in the course of the second half of 2023 and is subject to approval by the competition authorities and compliance with the remedies typically imposed on a transaction of this size.

In the record year 2022 we generated sustainable operating EBITDA of € 910 million, adjusted for extraordinary earnings contributions of € 110 million. Reacting to the significantly lower market level in 2023, we implemented strict cost and working capital management measures. These included the targeted reduction and the optimized utilization of our production capacities. For this year, we expect a contribution to earnings of € 45 million from our ongoing self-help program aimed at earnings growth and efficiency enhancements. We are continuing to implement our proven forward-buying strategy for energy procurement throughout the Group. For 2023 we expect cost inflation of <8% for the Wienerberger Group, which we will cover through corresponding price adjustments. We stick to our value-accretive growth strategy, focusing on innovation and the further enhancement of our competence in providing sustainable system solutions in new build, renovation, and infrastructure. Wienerberger is thus perfectly positioned to outperform its end markets even in this challenging environment.

Overall, our end markets developed significantly weaker than initially assumed. For the 2023 financial year, we nevertheless continue to expect a strong performance and will generate operating EBITDA of € 800-820 million. Earnings contributions of the Terreal Group are not included.



Condensed Interim Financial Statements (IFRS) Wienerberger Group

Consolidated Income Statement

in TEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022
Revenues	1,150,027	1,415,268	2,202,507	2,571,906
Cost of goods sold	-701,879	-847,869	-1,339,830	-1,565,544
Gross Profit	448,148	567,399	862,677	1,006,362
Selling expenses	-202,299	-227,439	-395,608	-430,582
Administrative expenses	-84,316	-79,773	-165,290	-152,023
Other operating income	28,682	7,850	42,023	15,831
Other operating expenses				
Impairment charges to assets	0	-1,605	0	-14,821
Other	-21,050	-19,969	-36,408	-31,246
Operating profit/loss (EBIT)	169,165	246,463	307,394	393,521
Income from investments in associates and joint ventures	-11	2,932	-515	2,882
Interest and similar income	4,902	1,079	6,944	1,670
Interest and similar expenses	-19,227	-11,842	-33,028	-22,988
Other financial result	-1,250	-176	-1,692	-1,293
Financial result	-15,586	-8,007	-28,291	-19,729
Profit/loss before tax	153,579	238,456	279,103	373,792
Income taxes	-30,760	-30,118	-55,576	-52,706
Profit/loss after tax	122,819	208,338	223,527	321,086
Thereof attributable to non-controlling interests	270	151	378	203
Thereof attributable to equity holders of the parent company	122,549	208,187	223,149	320,883
Earnings per share (in EUR)	1.16	1.86	2.11	2.84
Diluted earnings per share (in EUR)	1.16	1.86	2.11	2.84

Consolidated Statement of Comprehensive Income

in TEUR	4-6/2023	4-6/2022	1-6/2023	1-6/2022
Profit/loss after tax	122,819	208,338	223,527	321,086
Foreign exchange adjustments	15,697	18,781	8,426	28,577
Foreign exchange adjustments to investments in associates and joint ventures	-16	-22	25	7
Changes in hedging reserves	-3,899	4,011	-6,157	11,398
Items to be reclassified to profit or loss	11,782	22,770	2,294	39,982
Actuarial gains/losses	1,224	8,534	986	8,534
Items not to be reclassified to profit or loss	1,224	8,534	986	8,534
Other comprehensive income	13,006	31,304	3,280	48,516
Total comprehensive income after tax	135,825	239,642	226,807	369,602
Thereof comprehensive income attributable to non-controlling interests	251	138	399	205
Thereof comprehensive income attributable to equity holders of the parent company	135,466	239,504	226,408	369,397



Consolidated Balance Sheet

in TEUR	30/6/2023	31/12/2022
Assets		
Intangible assets and goodwill	871,886	846,770
Property, plant and equipment	2,322,313	2,268,885
Investment property	42,465	37,921
Investments in associates and joint ventures	14,300	20,420
Other financial investments and non-current receivables	18,989	23,371
Deferred tax assets	44,463	61,754
Non-current assets	3,314,416	3,259,121
Inventories	1,204,314	1,036,211
Trade receivables	547,281	374,514
Receivables from current taxes	10,507	12,488
Other current receivables	108,602	120,865
Securities and other financial assets	83,150	72,896
Cash and cash equivalents	138,413	300,031
Current assets	2,092,267	1,917,005
Assets held for sale	21,264	23,131
Total assets	5,427,947	5,199,257
Equity and liabilities		
Issued capital	111,732	111,732
Share premium	985,528	983,995
Retained earnings	1,807,724	1,677,900
Other reserves	-191,718	-194,977
Treasury shares	-146,451	-129,799
Controlling interests	2,566,815	2,448,851
Non-controlling interests	1,970	1,571
Equity	2,568,785	2,450,422
Deferred taxes	104,407	100,674
Employee-related provisions	70,223	73,869
Other non-current provisions	104,004	103,264
Long-term financial liabilities	1,001,457	1,245,062
Other non-current liabilities	17,603	15,508
Non-current provisions and liabilities	1,297,694	1,538,377
Current provisions	57,292	60,801
Payables for current taxes	38,945	49,636
Short-term financial liabilities	675,681	207,157
Trade payables	375,410	439,567
Other current liabilities	402,164	438,537
Current provisions and liabilities	1,549,492	1,195,698
Liabilities directly associated with assets held for sale	11,976	14,760
Total equity and liabilities	5,427,947	5,199,257



Consolidated Statement of Cash Flows

in TEUR	1-6/2023	1-6/2022
Profit/loss before tax	279,103	373,792
Depreciation and amortization	138,976	136,858
Impairment charges to assets and other valuation effects ¹⁾	14,068	24,807
Increase/decrease in non-current provisions	-3,063	-2,490
Income from investments in associates and joint ventures	515	-2,882
Gains/losses from the disposal of fixed and financial assets	-5,276	-3,824
Interest result	26,084	21,318
Interest paid	-37,948	-28,315
Interest received	4,051	453
Income taxes paid	-53,742	-39,817
Other non-cash income and expenses	-1,061	3,712
Gross cash flow	361,707	483,612
Increase/decrease in inventories	-164,746	-117,444
Increase/decrease in trade receivables	-168,914	-255,570
Increase/decrease in trade payables	-70,511	20,865
Increase/decrease in other net current assets	-22,068	61,349
Cash flow from operating activities	-64,532	192,812
Proceeds from the sale of assets (including financial assets)	9,407	10,646
Payments made for property, plant and equipment and intangible assets	-96,573	-98,175
Dividend payments from associates and joint ventures	640	2,931
Increase/decrease in securities and other financial assets	-1,108	-3,559
Net payments made for the acquisition of companies	-62,440	-14,473
Cash flow from investing activities	-150,074	-102,630
Cash inflows from the increase in short-term financial liabilities	325,900	57,945
Cash outflows from the repayment of short-term financial liabilities	-119,367	-57,301
Cash inflows from the increase in long-term financial liabilities	3,128	15,235
Cash outflows from the repayment of lease liabilities	-29,025	-28,152
Dividends paid by Wienerberger AG	-94,848	-83,871
Purchase of treasury shares	-26,018	-150,892
Cash flow from financing activities	59,770	-247,036
Change in cash and cash equivalents	-154,836	-156,854
Effects of exchange rate fluctuations on cash held	-3,765	2,143
Cash and cash equivalents at the beginning of the period	306,457	364,307
Cash and cash equivalents at the end of the period ²⁾	147,856	209,596

1) These include special writedowns of TEUR 1,784 (Previous Year: TEUR 3,556) // 2) Cash and cash equivalents of TEUR 9,443 (December 31, 2022: TEUR 6,426) were recognized in the consolidated balance sheet as assets held for sale. These may be subject to capital movement restrictions.



Consolidated Statement of Changes in Equity

in TEUR	Issued capital	Share premium/ treasury stock	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2023	111,732	854,196	1,677,900	-194,977	2,448,851	1,571	2,450,422
Total comprehensive income			223,149	3,259	226,408	399	226,807
Dividend			-94,848		-94,848		-94,848
Effects from hyperinflation IAS 29			1,523		1,523		1,523
Change in stock option plan		593			593		593
Change in treasury shares		-15,712			-15,712		-15,712
Balance on 30/6/2023	111,732	839,077	1,807,724	-191,718	2,566,815	1,970	2,568,785

in TEUR	Issued capital	Share premium/ treasury stock	Retained earnings	Other reserves	Controlling interests	Non-controlling interests	Total
Balance on 1/1/2022	115,188	1,062,312	1,189,703	-219,035	2,148,168	900	2,149,068
Total comprehensive income			320,883	48,514	369,397	205	369,602
Dividend			-83,871		-83,871		-83,871
Effects from hyperinflation IAS 29			4,401		4,401		4,401
Change in treasury shares		-150,892			-150,892		-150,892
Balance on 30/6/2022	115,188	911,420	1,431,116	-170,521	2,287,203	1,105	2,288,308



Operating Segments

Operating Segments 1–6/2023 in TEUR and %	Europe West	Europe East	North America	Group eliminations	Wienerberger Group
External Revenues	1,165,731	614,127	422,341		2,202,199
Inter-company revenues ¹⁾	14,489	18,792	2,512	-35,485	308
Total Revenues	1,180,220	632,919	424,853	-35,485	2,202,507
Operating EBITDA	224,757	118,089	111,224		454,070
Sale of non-core assets and structural adjustments	6,509	529	-1,122		5,916
EBITDA	218,248	117,559	112,346		448,153
EBIT	139,547	74,601	93,246		307,394
Profit after tax	94,293	67,066	62,168		223,527
Total investments	45,777	39,697	11,099		96,573
Capital employed	2,322,879	1,095,596	578,859		3,997,334
Ø Employees (in FTE)	9,165	7,667	2,363		19,195

1) Intercompany revenues represent the revenues between fully consolidated, at-equity consolidated and non-consolidated Group companies.

Operating Segments 1–6/2022 in TEUR and %	Europe West	Europe East	North America	Group eliminations	Wienerberger Group
External Revenues	1,300,321	800,183	470,594		2,571,098
Inter-company revenues ¹⁾	22,590	20,247	2,341	-44,370	808
Total Revenues	1,322,911	820,430	472,935	-44,370	2,571,906
Operating EBITDA	225,458	210,096	109,825		545,379
Sale of non-core assets and structural adjustments	-1,861	-1,025	-491		-3,377
EBITDA	227,319	211,121	110,316		548,756
Impairment charges of assets	-3,341	-11,480	0		-14,821
EBIT	144,865	160,998	87,658		393,521
Profit after tax	105,151	137,803	78,132		321,086
Total investments	52,530	34,083	11,562		98,175
Capital employed	2,084,095	842,356	599,157		3,525,608
Ø Employees (in FTE)	9,145	7,415	2,442		19,002

1) Intercompany revenues represent the revenues between fully consolidated, at-equity consolidated and non-consolidated Group companies.

As of 1 January 2023, Wienerberger has focused its strategy on regions Europe West, Europe East and North America and has therefore adjusted its segment reporting, including the comparative periods, accordingly.



External revenues, broken down by country, are as follows:

External Revenues in TEUR	Wienerberger Group	
	1-6/2023	1-6/2022
Austria	108,828	154,718
USA	376,815	434,065
Great Britain	266,764	306,235
Belgium	206,086	211,370
Netherlands	199,106	203,066
France	114,416	133,172
Germany	113,618	153,969
Poland	100,713	150,257
Czech Republic	92,392	124,396
Norway	76,957	87,929
Sweden	60,200	72,031
Hungary	54,227	87,267
Romania	46,665	62,758
Canada	45,498	36,512
Other countries	339,914	353,353
Wienerberger Group	2,202,199	2,571,098



Condensed Notes to the Interim Financial Statement

Accounting and valuation principles

The condensed interim report as of June 30, 2023, was prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable within the EU, and based on the standard on Interim Financial Reporting (IAS 34). Significant assumptions and estimates made for the 2022 consolidated financial statements and accounting policies as of December 31, 2022, have been applied consistently, with the expectation of new or amended IFRS whose application is mandatory as of January 1, 2023. The interim report should therefore be read in conjunction with the consolidated financial statements as of December 31, 2022.

With few labelled exceptions, the figures in this condensed interim report are presented in thousand euros.

The following table contains an overview of new standards and interpretations published by the IASB up to the balance sheet date:

Standards/Interpretations	Published by IASB	Mandatory first-time adoption ¹⁾
IFRS 17 Insurance Contracts	May 2017	1/1/2023
IAS 8 Definition of Accounting Estimates - Amendments	February 2021	1/1/2023
IAS 1 Disclosure of Accounting policies - Amendments	February 2021	1/1/2023
IAS 12 Deferred Tax related to leases and decommissioning obligations - Amendments	May 2021	1/1/2023
IFRS 17 Insurance Contracts - Amendments	June 2020	1/1/2023
IAS 12 International Tax Reform—Pillar Two Model Rules	May 2023	1/1/2023
IFRS 17 and IFRS 9 Insurance Contracts, deferral of IFRS 9 - Amendments	December 2021	1/1/2023
IFRS 16 Lease Liability in a Sale and Leaseback - Amendments	September 2022	1/1/2024
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
IAS 7/ IFRS 7 Supplier Finance Arrangements	May 2023	1/1/2024

1) Mandatory effective date according to European Union directive

Published new and amended standards and interpretations, adopted by the EU

In May 2017, the IASB published the new standard IFRS 17 Insurance Contracts, which replaces IFRS 4 and clarifies the accounting for insurance and reinsurance contracts. The IASB also published amendments to IFRS 17 in June 2023 and to IFRS 17 and IFRS 9 in December 2021. The amendments enable companies applying both IFRS 17 and IFRS 9 at the same time so that they disclose comparative information on a financial asset as if the classification and measurement rules of IFRS 9 had already been applied previously to that financial asset. The application of the new standard as well as the corresponding amendments are mandatory as of January 1, 2023. As Wienerberger does not issue insurance or reinsurance contracts as an insurance provider, the new standard has no impact on the consolidated financial statements of the Group.

In February 2021, amendments to IAS 1 and IAS 8 were published. The amendments to IAS 1 replace the term “significant accounting policies” with “material accounting policy information”. The amendments to IAS 8 provide clarification on changes in accounting estimates to improve the distinction from changes in accounting methods. The amendments are effective from January 1, 2023. The amendments have no material impact on the consolidated financial statements of Wienerberger.



In May 2021, amendments to IAS 12 were published. The amendments clarify how companies account for deferred taxes relating to assets and liabilities arising from a single transaction (e.g. leases). The amendments are effective as of January 1, 2023. The amendment has no material impact on the consolidated financial statements of Wienerberger.

Published new and amended standards and interpretations, not yet adopted by the EU

The amendments to IFRS 16 specify the requirements for subsequent measurement for seller-lessees in a sale and leaseback transaction. The application of the amendments is mandatory as of January 1, 2024. No material effects on the consolidated financial statements of Wienerberger are expected.

In January 2020 and October 2022, amendments to IAS 1 were published. These amendments provide a more general approach for the classification of liabilities as current liabilities, which is based on the agreed financial statements. Furthermore, it is clarified that only those financial statements and conditions that a company must meet on or before the reporting date will affect the classification of a liability. The amendment is effective from January 1, 2024. No material effects on the consolidated financial statements of Wienerberger are expected.

In May 2023, amendments to IAS 7 and IFRS 7 were published. The amendments requires the availability of information for users of financial statements in order to assess how financing arrangements with suppliers affect an entity's liabilities and cash flows, as well as an entity's liquidity risk, and how the company might be affected if the arrangements were no longer available. The amendments are mandatory as of January 1, 2024. Wienerberger is currently analysing the effects on the consolidated financial statements.

In May 2023, amendments to IAS 12 were published. The amendment introduced a temporary exception to the requirement to recognize and disclose information on deferred tax assets and liabilities in connection with the global minimum taxation (Pillar II). Wienerberger is currently analyzing the effects on the consolidated financial statements.

Consolidated companies

The consolidated financial statements include all material domestic and foreign companies in which Wienerberger AG directly or indirectly holds the majority of voting rights. If Wienerberger has significant influence or joint control over another entity, these entities are consolidated at equity or, if applicable, proportionately in the consolidated financial statement.

In January 2023, a brick plant of Otto Bergmann GmbH was acquired in Germany to expand the company's presence in high-thermal insulating clay blocks. The preliminary purchase price allocation did not result in any significant goodwill.

To continue the growth of cladding and façade solutions in Denmark, 100% of shares in the Danish Komproment ApS Group were acquired in February 2023 and 100% of the shares of the Strøjer Group in April 2023. The preliminary purchase price allocations result in goodwill of TEUR 7,384 in relation to the acquisition of Komproment and in goodwill of TEUR 8,749 in relation to Strøjer - both recognized in the Europe West segment.

In April 2023, 100% of the Swedish technology company Wideco Sweden AB were acquired, further strengthening the Group's market position in smart energy and water management. The preliminary purchase price allocation resulted in goodwill of TEUR 1,510, which is recognized in the Europe West segment.



The goodwill arising from the acquisitions is mainly attributable to expected synergies. The acquisitions made in the reporting period resulted in total net cash outflows of TEUR 62,440 and non-cash purchase price components of TEUR 10,306. Purchase price liabilities of TEUR 3,530, which are partly dependent on the achievement of defined targets, have been recognized in other liabilities. For purchase price liabilities from acquisitions in previous years, payments of TEUR 1,045 were made.

in TEUR	Total 30/6/2023
Intangible assets	24,206
Property, plant and equipment and financial assets	46,582
Non-current assets	70,788
Current assets	23,630
Deferred taxes	11,968
Non-current provisions	326
Non-current provisions and liabilities	12,294
Current provisions and liabilities	23,629
Net assets acquired	58,495
Cash and cash equivalents taken over	-947
Purchase price liabilities and non-cash consideration	-13,836
Payments made for companies acquired in previous periods	1,045
Net payments made for acquisitions	62,440

Seasonality

Due to weather conditions, Wienerberger sells larger volumes in the second and third quarter of the year than in months at the beginning and the end of a year. This seasonal fluctuation is reflected in the figures for the first and fourth quarters, which are generally lower than in the second and third quarters.

Notes to the Consolidated Income Statement

Consolidated revenues amounted to TEUR 2,202,507 in the first six months of the year (H1 2022: TEUR 2,571,906), down by 14% compared to the same period of the previous year.



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

1-6/2023 in TEUR	Europe West	Europe East	North America	Wienerberger Group
Wall	139,286	239,988	17,202	396,476
Façade	354,737	3,925	303,029	661,691
Roof	252,377	102,927	0	355,304
Pavers	22	54,023	107	54,152
Pipes	419,213	213,220	101,975	734,408
Other	96	44	29	168
Total	1,165,731	614,127	422,342	2,202,199

1-6/2022 in TEUR	Europe West	Europe East	North America	Wienerberger Group
Wall	168,138	336,961	14,809	519,908
Façade	404,564	8,003	330,264	742,831
Roof	239,516	135,533	0	375,049
Pavers	27	65,532	268	65,827
Pipes	488,016	254,130	125,236	867,382
Other	60	23	17	101
Total	1,300,321	800,182	470,594	2,571,098

EBITDA amounted to TEUR 448,153 and was thus below the prior-year figure of TEUR 548,756. EBIT amounted to TEUR 307,394 in the reporting period, compared to TEUR 393,521 in the comparative period.

For the first six months of the year 2023 depreciation for right of use assets in accordance with IFRS 16 amounted to TEUR 30,271 (H1 2022: TEUR 29,640) and interest expenses for lease liabilities of TEUR 3,146 (H1 2022: TEUR 2,455) were recognized in the Consolidated Income Statement.

Segment reporting is disclosed on pages 17 and 18.

Notes to the Consolidated Statement of Comprehensive Income and to Equity

Pre-tax currency translation differences of TEUR 8,009 (H1 2022: TEUR 34,376) recognized directly in equity in the reporting period resulted primarily from the British pound, the Polish zloty, and the US dollar. After taking deferred taxes of TEUR 442 into account (H1 2022: TEUR - 5,792) a net amount of TEUR 8,451 (H1 2022: TEUR 28,584) was recognized in other comprehensive income. The change in the hedging reserve decreased equity by TEUR -6,157 in the reporting period (H1 2022: increase of TEUR 11,398). This includes deferred taxes of TEUR 575 (H1 2022: TEUR -3,799). The measurement of pension and severance obligations resulted in actuarial gains of TEUR 986 (H1 2022: TEUR 8,534). The deferred taxes included therein amounted to TEUR -504 (H1 2022: TEUR -1,706). Profit after tax increased equity in the first six months by TEUR 223,527 (H1 2022: TEUR 321,086). Overall, total comprehensive income after taxes increased equity by TEUR 226,807 in the reporting period (H1 2022: TEUR 369,602).

As of the reporting date, Wienerberger held 6,345,431 own shares (December 31, 2022: 5,756,271) in treasury, which were deducted for the calculation of earnings per share. In the first half of the year, Wienerberger bought back 976,600 treasury shares for EUR 26,017,924.03 (including fees). Furthermore 387,440 treasury shares with a book value of EUR 9,365,938,23 (including attributable fees) were transferred as part of the purchase price for the Strøjer Group. The fair value of the treasury shares transferred at the time of the acquisition of the Strøjer Group amounted to EUR 10,305,904.00. The surplus of EUR 939,965.77 was recognized as a share premium within capital reserves in equity.



The weighted average number of shares therefore amounts to 105,780,944 shares for the period from January 1, 2023, to June 30, 2023. As of June 30, 2023, the number of issued shares was 111,732,343. In the reporting year, a dividend of EUR 0.90 per share, i.e., EUR 100,559,108.70 less a pro rata amount for treasury shares of EUR 5,710,887.90, thus EUR 94,848,220.80 was declared and paid out.

Notes to the Consolidated Statement of Cash Flows

Gross cash flow decreased to TEUR 361,707 (H1 2022: TEUR 483,612). Cash flow from operating activities of TEUR -64,532 (H1 2022: TEUR 192,812) was TEUR 257,344 below the comparable figure for the prior-year period. This was mainly due to the increase in working capital and the development of profit before tax.

The cash outflow from investments in non-current assets (including financial assets) and acquisitions (M&A) totaling TEUR 159,013 (H1 2022: TEUR 112,648) comprise TEUR 52,516 (H1 2022: TEUR 43,818) from maintenance capex and TEUR 44,057 (H1 2022: TEUR 54,357) 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 62,440 (H1 2022: TEUR 14,473) in net cash was spent on acquisitions (M&A). Cash inflows from disposals of fixed assets amounted to TEUR 9,407 (H1 2022: TEUR 10,646) and include the sale of land not required for operations.

The cash flow from financing activities amounts to TEUR 59,770 (H1 2022: TEUR -247,036) in the reporting period and mainly results from the dividend distribution of TEUR -94,848 (H1 2022: TEUR -83,871) and the acquisition of treasury shares of TEUR -26,018 (H1 2022: TEUR -150,892). This is offset by cash inflows from the increase of current financial liabilities amounting to TEUR 325,900 (H1 2022: TEUR 57,945) and repayments of such liabilities amounting to TEUR -119,367 (H1 2022: TEUR -57,301).

As of the balance sheet date, committed credit lines amounted to TEUR 1,300,000 (December 31, 2022: TEUR 400,000), of which TEUR 140,000 were drawn (December 31, 2022: 0). Of this amount, TEUR 700,000 are designated.

Notes to the Consolidated Balance Sheet

Maintenance and special capex in the first six months of the reporting year, not including acquisitions, increased fixed assets by TEUR 96,573 (H1 2022: TEUR 98,175). Net debt increased by TEUR 376,283 to TEUR 1,455,575 compared to December 31, 2022, due to the seasonal increase of working capital.

Property, plant, and equipment recognized in the Consolidated Balance Sheet as of June 30, 2023, include right of use assets in accordance with IFRS 16 of TEUR 252,462 (December 31, 2022: TEUR 239,336). Financial liabilities include lease liabilities of TEUR 261,318 (December 31, 2022: TEUR 247,633). As of the reporting date, the Group had committed to the purchase of property, plant, and equipment in the amount of TEUR 78,436 (December 31, 2022: TEUR 57,082).

Due to the disposal of the Russian activities, associated assets and liabilities are presented as a disposal group in accordance with IFRS 5. The negotiations with the buyer were concluded and the contract signed in the fourth quarter of 2022. The closing of the transaction, which is subject to approval by the responsible authorities, is expected by the end of 2023. "Assets held for sale" are defined as assets that are available for immediate sale in their current condition and whose sale 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 June 30, 2023, this mainly comprises inventories as well as liquid funds in the amount of TEUR 21,264 (December 31, 2022: TEUR 23,131). Non-current assets were fully impaired in the previous year. Liabilities associated with assets held for sale in the amount of TEUR 11,976 (December 31, 2022: TEUR 14,760) as of June 30, 2023, mainly relate to other liabilities and provisions. Intra-group financing was repatriated in full. Reserves included in equity linked to the disposal group include TEUR -42,126 (December 31, 2022: TEUR -40,059) and result mainly from currency translation effects.

Contingent liabilities and commitments increased to TEUR 37,662 (December 31, 2022: TEUR 35,041) due to the increase in guarantees to third parties. Of this amount, TEUR 17,021 (December 31, 2022: TEUR 17,912) were put up as cash collateral.

Segment reporting is disclosed on pages 17 and 18.



Disclosures on Financial Instruments

The following table shows the allocation of financial assets and liabilities at fair value or at amortized cost to the three levels of the fair value hierarchy as defined by IFRS 13. No items were reclassified between hierarchy levels during the reporting period.

Financial instruments held at fair value:

in TEUR	Level 1	Level 2	Level 3	Carrying amount as at 30/6/2023
Assets				
Investments in subsidiaries and other investments			12,727	12,727
Stock	267			267
Shares in funds	5,438			5,438
Other		12	505	517
At fair value through profit or loss	5,705	12	13,232	18,949
Derivatives designated in cash flow hedges		27,112		27,112
Derivatives designated in net investment hedges		6,202		6,202
Other derivatives		1,646		1,646
Derivatives with positive market value		34,960		34,960
Liabilities				
Derivatives designated in cash flow hedges		3,019		3,019
Other derivatives		375		375
Derivatives with negative market value		3,394		3,394
Contingent purchase price liability			12,692	12,692

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



Financial instruments held at amortized cost:

in TEUR	Fair Value			Carrying amount as at 30/6/2023
	Level 1	Level 2	Level 3	
Assets				
Other receivables		15,072		15,072
Liabilities				
Long-term loans		401,268		403,379
Roll-over		152,763		153,308
Short-term loans		198,617		199,386
Financial liabilities owed to financial institutions		752,648		756,073
Bonds	632,956			649,445
Long-term loans		599		632
Commercial Paper		5,958		5,981
Short-term loans		264		264
Lease liabilities		261,318		261,318
Financial liabilities owed to subsidiaries		32		32
Financial liabilities owed to non-banks	632,956	268,170		917,671
Purchase price liability		2,515		2,515

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



The development of financial instruments classified under Level 3 of the fair value hierarchy is shown in the following table:

in TEUR	Investments		Other securities		Contingent purchase price liability	
	2023	2022	2023	2022	2023	2022
Balance on 1/1	16,355	17,319	332	340	11,467	13,945
Additions	0	0	238	35	1,056	0
Results from valuation in income statement	-3,378	263	-65	-8	169	-3,501
Disposals	-250	-1	0	0	0	-9,494
Balance on 30/6	12,727	17,581	505	367	12,692	950

Investments in non-consolidated subsidiaries and other investments represent financial instruments that are held on a long-term basis. In accordance with IFRS 9, equity instruments are recognized at fair value. These financial instruments are measured using valuation parameters that are not observable on the market, which is why they are assigned to Level 3 of the valuation hierarchy. The fair values are determined by using a DCF method as the present values of the sum of future cash flows, applying a post-tax discount rate to the total estimated future cash flows, which is derived from external sources using recognized mathematical methods.

The fair value of shares in funds, financial receivables and shares held as well as liabilities from bonds issued by Wienerberger is determined on the basis of market prices (Level 1). Other securities recognized as financial assets include short-term investments of cash and cash equivalents, which are measured using interest rates observable on the market and are therefore assigned to Level 2. Reinsurance policies in connection with pension obligations, for which netting against the provision is not permitted, are largely assigned to Level 3 of the valuation hierarchy and are part of other securities.

Derivative financial instruments are valued by using recognized DCF-based valuation methods, using input factors that are observable on the market such as current interest rate yield curves and foreign exchange rate relations (Level 2).

The fair value of non-current receivables and financial liabilities carried at amortized cost is also determined by using a DCF method (Level 2). For all financial instruments held as liabilities, the fair value is adjusted by considering the current market value. The fair value of these financial liabilities are adjusted to take account of the counterparty credit risk.

Risk Report

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 Regional Management 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.

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 affected by on macro-economic factors 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.



Wienerberger continuously monitors and actively manages risks in the business environment as part of the Group-wide risk management system. The development of the construction industry and the key indicators for the demand for building materials are monitored in order to be able to adjust production capacity to changing market conditions in a timely manner. Price levels on local markets are monitored on an ongoing basis, and the price strategy is adjusted if necessary. Wienerberger counters the risk of higher input costs by fixing purchase prices at an early stage and concluding longer-term supply contracts. Risks arising from rising energy costs are mitigated by ongoing price hedging as part of a Group-wide purchasing strategy. In the second half of the year, Wienerberger will continue to counteract risks from higher input costs, the uncertainty in the further development of the construction industry and price pressure in individual markets.

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 efforts 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 require 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.

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.

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.

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.

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.

A detailed description of the impact of climate change on the business model of the Wienerberger Group can be found in the Annual and Sustainability Report 2022. These statements are still valid.

Related party transactions

The following companies and persons are considered related parties of Wienerberger: the members of the Supervisory Board and Managing Board and their close members of their families, associated companies, joint ventures, non-consolidated subsidiaries of Wienerberger AG as well as ANC Private Foundation and its affiliates. Business relations with companies in which members of the Supervisory Board of Wienerberger AG are active are conducted at arm's length conditions.

ANC Private Foundation and its affiliates operate landfill activities in Austria that were transferred from Wienerberger AG in 2001 and owns a limited amount of assets (in particular real estate and securities). The Management Board of ANC Private Foundation consists of three members, of which one member is a member of Wienerberger top management. The total assets of ANC Private



Foundation amounted to TEUR 37,356 at the reporting date (December 31, 2022: TEUR 35,020) and consists primarily of land and buildings in the amount of TEUR 5,072 (December 31, 2022: TEUR 6,920). Securities and liquid funds are amounting to TEUR 26,052 (December 31, 2022: TEUR 23,562). As of June 30, 2023, ANC Private Foundation had provisions in the amount of TEUR 10,040 (December 31, 2022: TEUR 10,502) and no financial liabilities.

Wienerberger AG and its subsidiaries finance associates, joint ventures, and non-consolidated subsidiaries with loans granted at arm's length conditions. Interest-bearing loans to joint ventures totaled TEUR 84 as of June 30, 2023 (December 31, 2022: TEUR 0), while loans to non-consolidated consolidated affiliated companies amounted to TEUR 4,013 (December 31, 2022: TEUR 4,043). In addition, non-interest-bearing receivables amount to TEUR 22,833 (December 31, 2022: TEUR 17,079). In the first six months, revenues of TEUR 446 (H1 2022: TEUR 808) were recognized with joint ventures.

The volume of business transactions with associated companies and parties was similar to that reported in the Consolidated Financial Statements 2022. Neither the financial position nor the earnings of the Group were materially affected during the first six months of the current business year.

No loans were granted to members of the Management Board or the Supervisory Board, nor were any liabilities assumed in their favor. No other transactions, in particular purchase agreements for significant assets, were concluded.

Events after the balance sheet date

No significant events occurred after the balance sheet date that would have to be reported in accordance with IAS 10.



Statement by the Managing Board

We confirm to the best of our knowledge that these interim financial statements (interim financial report according to IFRS) present 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 presents a true and fair view of the important events that occurred during the first six months of the financial year and their impact on the interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 9, 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 Europe East

Harald Schwarzmayr
Member of the Managing
Board of Wienerberger AG
COO Europe West



Report on the auditor's review

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Wienerberger AG, Vienna, for the period from January 1, 2023 to June 30, 2023. The condensed consolidated interim financial statements comprise of the balance sheet as of June 30, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the period from January 1, 2023 to June 30, 2023, and the condensed notes to the consolidated financial statements, which summarize the significant accounting policies applied and other explanatory notes.

Management is responsible for the preparation of these condensed consolidated interim financial statements in accordance with the International Financial Reporting Standards (IFRSs) applicable to interim financial reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. With regard to our liability towards the Company and towards third parties, section 125 (3) of the Austrian Stock Exchange Act (BörseG) in conjunction with section 275 (2) of the Austrian Commercial Code (UGB) apply accordingly.

Notes on other matters:

1. Condensed consolidated interim financial statements as of June 30th 2022

The condensed consolidated interim financial statements as of June 30th 2022, of the Group have not been reviewed, therefore the prior year comparatives in the condensed consolidated interim financial statements as of June 30th 2023 have also not been reviewed..

2. Separate presentation of the consolidated statement of income and comprehensive income for the 2nd quarter 2023 (4-6 2023) The figures presented separately in the consolidated income statement and statement of comprehensive income for the 2nd quarter of 2023 (4-6 2023) were not subject to the review of the condensed consolidated interim financial statements as of June 30, 2023.

Other information

Management is responsible for the other information. The other information comprises all the information in the half-year report 2023, but does not include the condensed interim consolidated financial statements, the interim consolidated management report and the review report.

Our review report on the interim condensed consolidated financial statements does not cover the other information, and we do not express any form of assurance thereon.

In connection with our review, we have a responsibility to read the other information and, in doing so, evaluate whether the other information is materially inconsistent with the condensed consolidated interim financial statements or our knowledge obtained from said review, or otherwise appears to be materially misstated.

If, based on the work we have performed, we arrive at the conclusion that such other information is materially misstated, we are required to report that fact. We have nothing to report in this regard.

Scope of the review

We have performed the review in accordance with the professional principles applicable in Austria and the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially more limited in scope compared to an audit conducted in accordance with Austrian and International Standards on Auditing and consequently it does not enable us to obtain a comparable assurance that we would become aware of all significant matters that might be identified through such an audit. For this reason, we do not express an audit opinion.



Summary Assessment

On the basis of our review nothing has come to our attention that may cause us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with the International Financial Reporting Standards (IFRSs) on interim financial reporting as adopted by the EU.

Statement on the consolidated interim management report and the declaration of the legal representatives pursuant to § 125 BörseG

We have read the accompanying consolidated interim management report and assessed whether it is free from material misstatements with the condensed consolidated interim financial statements. The consolidated interim management report, does not, according to our assessment, contain any obvious contradictions with the condensed consolidated interim financial statements.

The half-year financial report contains the information of the legal representatives required by the § 125 Abs 1 Z 3 BörseG.

Vienna, 9th August 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer

Certified Public Accountant

This report is a translation of the review report. The translation is presented for the convenience of the reader only. The German wording of the review report is solely valid and is the only legally binding version. .



Financial Calendar

October 19, 2023	Start of the quiet period
November 9, 2023	Results for the First Three Quarters of 2023

Investor Relations contact

Head of Investor Relations	Daniel Merl
Shareholder telephone	+43 1 601 92 10221
E-Mail	investor@wienerberger.com
Online	www.wienerberger.com

IMPRINT

Media owner (publisher)

Wienerberger AG
Wienerbergplatz 1, A-1100 Vienna
T +43 1 601 92 0
F +43 1 601 92 10159

Inquiries may be addressed to

The Managing Board:
Heimo Scheuch, CEO
Gerhard Hanke, CFO
Solveig Menard-Galli, COO Europe East
Harald Schwarzmayr, COO Europe West

Investor Relations:
Daniel Merl

Concept
The Skills Group GmbH

Design
All Channels Communication Austria GmbH

Photos & Illustrations

All Channels Communication,
Daniel Hinterramskogler
Cover: Wienerberger AG

This publication contains information and forecasts that relate to the future development of the Wienerberger Group and its companies. These forecasts are estimates based on all the information available to us at this point in time. If the assumptions underlying these forecasts do not materialize or if risks materialize, the actual results may differ from the results currently expected. The publication does not, in any way whatsoever, constitute a recommendation to buy or sell Wienerberger AG securities. This report is also available in German. In case of doubt, the German version takes precedence.

If you want to learn more about Wienerberger: Annual & quarterly reports as well as further information can be found on our website www.wienerberger.com.