

QUARTERLY REPORT
30 SEPTEMBER 2022



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At a glance

The Einhell Group managed to increase its business volume considerably between January and September 2022 and generated revenue of EUR 805.7 million. Almost all markets that are relevant to the Group contributed to the increase in revenue.

Profit before income taxes and PPA amounts to EUR 71.2 million (after PPA EUR 69.2 million). This corresponds to a margin before income taxes and PPA of about 8.8 % (after PPA 8.6 %). The PPA effects result from the purchase price allocation relating to the acquisition of King Canada.

Financial figures

in EUR million	Q1-3/2022	Q1-3/2021	Change in %
Revenue	805.7	686.7	17.3
EBT	69.2	58.8	17.7
EBT before PPA	71.2	58.8	21.1
EBIT	72.7	61.0	19.2
Net debt (bank deposits/bank liabilities)	200.6	58.0	245.9

	Q1-3/2022	Q1-3/2021	Change in %
Equity ratio in %	43.9	48.7	-9.9
Earnings per share in EUR	12.9	10.8	19.4
Headcount	1,986	1,810	9.7

Group structure

Effective on 1 March 2022, Einhell Germany AG acquired 66.67% of shares in the Canadian company Outillages King Canada, Inc., headquartered in Montreal/Quebec. King Canada is a well-established distributor of electronic tools, industrial equipment and other equipment in the Canadian market. The subsidiary was consolidated from 31 March 2022.

The purchase price allocation has not yet been fully completed as at the reporting date, which is why the consolidation in the Group is based on preliminary figures.

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

in CAD million (preliminary figures)	01.03.2022
Total amount of the transferred consideration	25.3
Goodwill acquired	5.5
in EUR million (preliminary figures)	
Total amount of the transferred consideration	17.8
Goodwill acquired	3.9

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

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

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

The put liability was recognised in accordance with the present access method, according to which the companies are still recognised as non-controlling interests, while the payment obligation and any changes thereof are recognised directly in retained earnings without any impact on profit or loss. The present

ownership of the non-controlling interest remains with the minority shareholder.

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

in EUR million (preliminary figures)	01.03.2022
Customer base and trademark rights	12.9
Goodwill	3.9
Right-of-use assets pursuant to IFRS 16	2.2
Inventories before depreciation	15.1
Depreciation of inventories	0.4
Advance payments made on goods	2.7
Trade receivables before impairment	7.1
Impairment on trade receivables	0.0
Non-controlling interest	7.0
Liabilities to banks	4.2
Income tax liabilities	1.9
Lease liabilities	2.2
Trade payables	4.9
Other liabilities	2.4

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

Non-controlling interests are not measured at fair value.

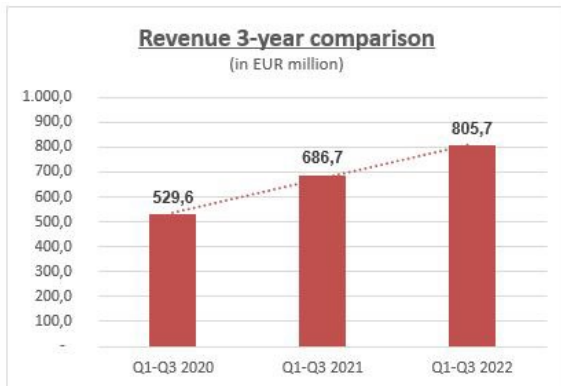
In the report for the third quarter of 2022, the following items were included in the consolidated income statement:

in EUR million (preliminary figures)	01.03.2022 - 30.09.2022
Revenue	23.2
EBT	2.2

If the subsidiary Outillages King Canada, Inc. had already been included in the consolidated financial statements since 1 January 2022, the revenue for the company in the period 1 January to 30 September 2022 would have amounted to EUR 31,2 million and the EBT to EUR 2.3 million. The revenue is allocated to the Overseas region. Purchase price allocation (PPA) effects for Canada amount to EUR 2.0 million.

Revenue, earnings and financial position

Revenue



From January to September 2022, the Einhell Group generated revenue of EUR 805.7 million (previous year: EUR 686.7 million), thereby far exceeding the prior-year figure.

Revenue growth was mainly driven by the rise in market share and the continued strong demand for our Power X-Change products. As at 30 September 2022, the share of Power X-Change products sold in total revenue stands at 42% (previous year: 37%).

Earnings



From January to September 2022, the Einhell Group generated earnings before tax (EBT) of EUR 69.2 million (previous year: EUR 58.8 million), which corresponds to a significant increase of EUR 10.4 million. The pre-tax margin is 8.6% (previous year: 8.6%). Adjusted for the effects of the King Canada PPA, the margin amounts to 8.8%.

Consolidated net income after minority interest amounted to EUR 48.7 million in the period under review (previous year: EUR 40.8 million), while earnings per share amounted to EUR 12.9 (previous year: EUR 10.8 per share).

Personnel expenses rose from EUR 77.0 million to EUR 86.8 million compared to the previous year. This is mainly due to the rise in headcount.

Depreciation and amortisation increased from the first to the third quarter 2022 to EUR 10.6 million (previous year: EUR 7.9 million) as substantial capital was expended for property, plant and equipment and right-of-use assets in recent years.

Other expenses increased from EUR 101.4 million to EUR 120.2 million. This increase was caused by higher revenues and was driven primarily by a hike in costs for warehousing and logistics.

The financial result of EUR -3.5 million (previous year: EUR -2.2 million) is lower than in the previous year.

Financial position

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

in EUR million	30.09.2022	30.09.2021
Non-current assets incl. deferred tax assets	168.2	111.4
Inventories	469.2	295.3
Trade receivables	161.2	151.5
Cash and cash equivalents	9.6	13.6
Equity	398.0	311.8
Liabilities to banks	210.2	71.6

In the period under review, the Einhell Group made investments amounting to EUR 5.6 million without King Canada (previous year: EUR 10.8 million). The majority of this was spent on operating and office equipment. Non-current assets include right-of-use assets for property, plant and equipment under rental and lease contracts in the amount of EUR 17.9 million (previous year: EUR 12.2 million).

Goods inventories increased significantly as against the prior-year period to EUR 469.2 million (previous year: EUR 295.3 million). Given the fact that manufacturers are producing at full capacity and sea freight capacities were scarce at the end of 2021 and beginning of 2022, management decided to increase stock-keeping in order to maintain the Group's above-average reliability of delivery.

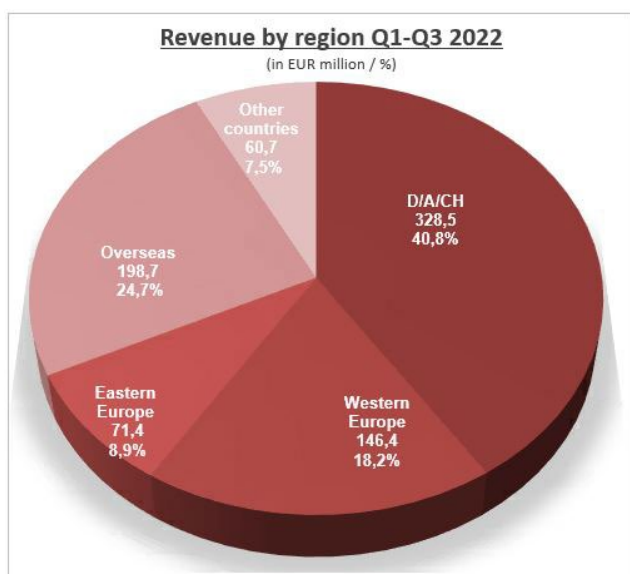
Trade receivables are shown after deduction of impairment for expected future credit defaults. Mainly driven by revenue growth, trade receivables climbed by EUR 9.7 million year-on-year to EUR 161.2 million in the period under review (previous year: EUR 151.5 million).

Quarterly notification as of 30 September 2022

Cash amounted to EUR 9.6 million on the reporting date (previous year: EUR 13.6 million). Liabilities to banks rose from EUR 71.6 million in the prior-year period to EUR 210.2 million, including promissory note loans amounting to EUR 75 million that were issued in December 2021. The positive business development and the reduction in working capital meant that net debt was significantly reduced in the third quarter of 2022 compared to 30. June 2022.

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

Performance by region



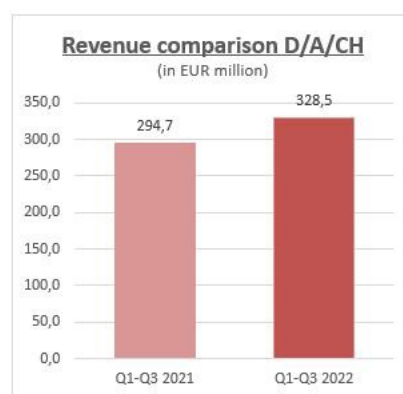
The substantial rise in revenue in the first three quarters of 2022 breaks down by region as follows:

<i>in EUR million</i>	Q1-Q3 2022	Q1-Q3 2021
<i>D/A/CH</i>	328,5	294,7
<i>Western Europe</i>	146,4	126,8
<i>Eastern Europe</i>	71,4	64,6
<i>Overseas</i>	198,7	150,6
<i>Other countries</i>	60,7	50,0
<i>Einhell Group</i>	805,7	686,7

Not only revenue, but also profit before income taxes increased significantly and came out to EUR 69.2 million (previous year: EUR 58.8 million). The development in the individual regions was as follows:

<i>in EUR million</i>	Q1-Q3 2022	Q1-Q3 2021
<i>D/A/CH</i>	31,8	29,3
<i>Western Europe</i>	6,5	10,7
<i>Eastern Europe</i>	7,7	9,9
<i>Overseas</i>	16,7	16,6
<i>Other countries</i>	10,0	6,3
<i>Reconciliation</i>	-3,5	-14,0
<i>Einhell Group</i>	69,2	58,8

D/A/CH

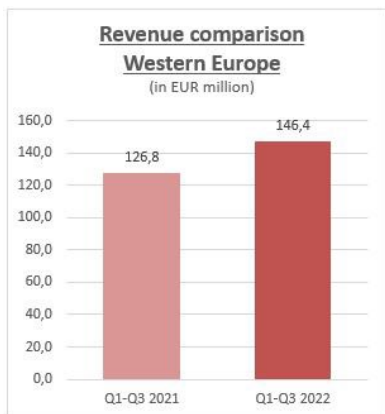


Revenue in the D/A/CH region increased significantly from the first to the third quarter of the 2022 financial year to EUR 328.5 million (previous year: EUR 294.7 million). Revenue growth was driven by a continued increase in revenue with Power X-Change products as well as the fact that Einhell managed to further expand its market share, especially in the D/A/CH region.

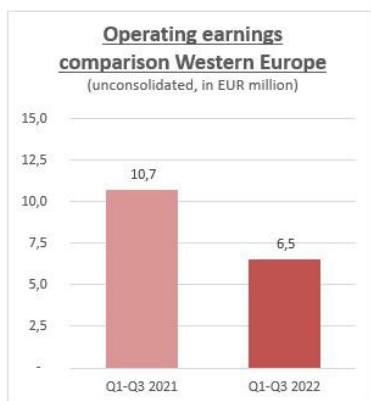


High revenues led to very strong profit before income taxes of EUR 31.8 million in the D/A/CH region.

Western Europe



Revenue in the Western Europe region increased by EUR 19.6 million compared to the previous year. The companies with the highest revenue in the Western Europe region continued to be Einhell France with EUR 50.4 million and Einhell Italy with EUR 29.9 million.



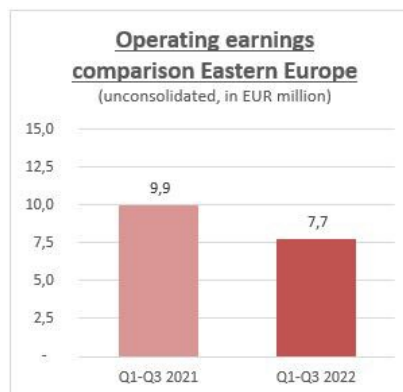
Profit before income taxes decreased to EUR 6.5 million in Western Europe. This was due to high expenditure for TV campaigns as well as the logistics costs associated with the high inventory levels.

The subsidiaries in UK, Italy and Spain are also struggling with a difficult market environment, which affects the margin development.

Eastern Europe

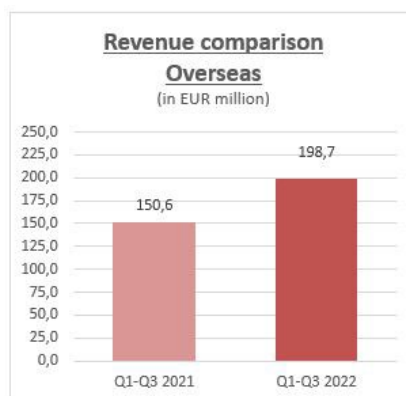


Revenue in the Eastern Europe region increased by EUR 6.8 million. The companies with the highest revenue in the Eastern Europe region were Einhell Croatia and Einhell Turkey.

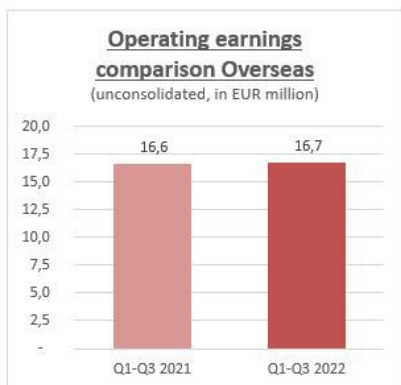


Profit before income taxes came in below the prior-year level in Eastern Europe, partly due to higher financing costs due to the increase in interest rate. The decline in earnings was due to high inventory write-downs in Ukraine following the destruction of the warehouse.

Overseas

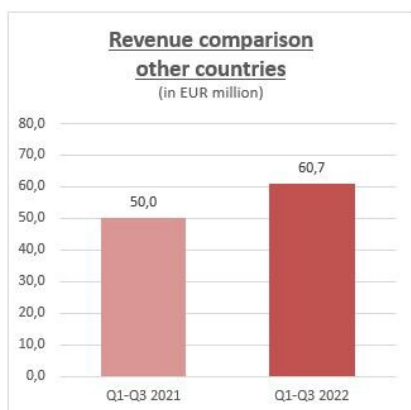


The Overseas region managed to significantly exceed the revenue level of the prior-year period. The companies with the strongest revenue in the Overseas region were Ozito with EUR 138.1 million and the new subsidiary Einhell Canada with EUR 23.2 million.

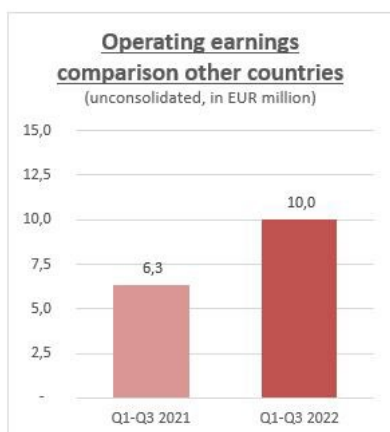


Profit before income taxes slightly exceeded the previous year's level after the third quarter of financial year 2022. The subsidiary with the highest income in the region is Einhell Ozito in Australia.

Other countries



The Other countries achieved revenue growth of EUR 10.7 million compared to the prior-year period. This was almost exclusively driven by the revenues generated by our companies in Hong Kong.



Earnings in the Other countries region increased significantly, driven mainly by our Asian subsidiaries.

Current strategic developments

As at 30 September 2022, the Einhell Group continued its successful growth trajectory and achieved substantially higher revenue and earnings compared to the same period of the previous year. The strong performance is significantly driven by Einhell's strategy to constantly optimise the perception of the Einhell brand. In the third quarter, Einhell received and evaluated the market figures on the first half of the financial year. These figures show that Einhell continued to gain significant market share in the important segment of battery-powered devices, especially in the extremely important German market. The market share in the 18V batteries and chargers segment is particularly high: more than every second battery or charger sold in the first half of 2022 was an Einhell device; for us, this is a strong indicator of the continued success of our battery platform.

Highly beneficial cooperation with FC Bayern München

The cooperation with FC Bayern München and our appointment as their Official Garden Expert has been highly beneficial for Einhell. The TV campaigns featuring Oliver Kahn and our E-Team already ran in a total of 13 countries this spring, and are repeated again this autumn. The continuation of this successful cooperation will further underpin Einhell's development of the brand.

Formula One cooperation with Mercedes-AMG PETRONAS F1 to promote international brand awareness

From 1 January 2023, Einhell Germany AG will become the official partner of the Mercedes-AMG PETRONAS F1 team. With Einhell being their Official Tool Expert, the Formula One team will be seen using the battery-driven tools of Einhell in the racing garage, while the Einhell brand will be displayed on the vehicle as well as the attire of the drivers and the team. The Board of Directors of Einhell Germany AG expects this partnership to boost international awareness for the Einhell brand. The partnership with the Mercedes-AMG PETRONAS F1 team will also be the central element of the corresponding international TV campaign in 2023, which is expected to be rolled out in 19 countries. The face of the campaign and brand ambassador is Toto Wolff, Team Principal & CEO of the Mercedes-AMG PETRONAS F1 Team.

Considerable progress with the international expansion

With the acquisition of 66.67% of the shares in the Canadian company Outillages King Canada, Inc., Einhell has significantly expanded its distribution network. Outillages King Canada, Inc. already has a strong footprint in the Canadian market, and Einhell has already

achieved dynamic growth in revenue and EBT from this acquisition in 2022.

Effective from 1 November 2022, we took over our partner in Finland who is well established on the Finnish market. This new Einhell subsidiary plays a very important role in the account management and supply of two significant high-potential customers in the region. We plan to markedly expand the presence of the Einhell brand with these two customers.

At the same time, we have already entered into further talks with additional potential acquisition targets in various regions. On the one hand, we intend to gain a foothold in Thailand by setting up our own distribution company in that country and, on the other hand, we will step up our procurement and sourcing activities in Vietnam.

Focusing on innovation and the Power X-Change platform

Our product policy continues to focus strongly on our successful Power X-Change platform. At the end of the current financial year, we will have added roughly another 50 new compatible products to our product range. The technology of the products is subject to a continuous enhancement process. We are also reviewing new technologies for batteries and engines on an ongoing basis and work very closely with highly competent research institutes in the field of modern mobility research in order to reinforce our leading position as the most competent provider of battery-powered platforms.

Rising significance of e-commerce

Einhell will also continue to focus on e-commerce, which is another priority area that is becoming increasingly important. DIY stores, e-commerce players and specialist retailers are all developing suitable solutions and product ranges to further strengthen their foothold on the online market. In order to fully exploit the potential of this market, the Einhell Group intends to increase its presence in social media and to advance the corporate websites. The necessary resources, for example in the fields of distribution or IT, are coordinated internationally across the entire group in order to realise a uniform and highly professional online presence.

Events after reporting date

No further events took place after the reporting date that could have a significant impact on net assets, financial position and results of operations.

Outlook

The Board of Directors' assumptions and forecasts are based on the information currently available, which is

more difficult than ever to assess due to recent world events. The already rapidly changing market conditions can be further distorted by political developments to an unforeseen extent. The degree of uncertainty is therefore especially high at present.

General consumer sentiment is highly subdued, which has also started to affect the DIY sector. The increase in interest rates, massive cost rises and the extremely high inflation rates in many of the countries that are relevant to Einhell are bound to negatively influence consumer spending. We are trying to counteract the negative market developments as best we can. For instance, we have introduced effective long-term currency hedging to cushion extreme fluctuations in purchase prices as much as possible. Einhell is also affected by weak overall consumer demand, but we continue to offer our end consumers an outstanding and attractive product range with a very enticing cost/performance ratio.

As opposed to the general market trend, we managed to further grow in the third quarter of 2022, but we have started to feel the economic downturn in the fourth quarter of 2022, the extent of which cannot yet be estimated. We assume that we will exceed the important revenue threshold of one billion euros in the current financial year and expect the margin before income taxes to reach about 8.5%. Difficult economic environments usually also open up opportunities. We are ready to seize these opportunities and will therefore adhere to our strategy to gain new market share. Einhell will continue on this course and develop its brand into a highly recognised, international top brand.

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

	30.09.2022	30.09.2021
Assets (in EURk)		
Intangible assets	37,845	20,537
Property, plant and equipment	57,141	52,256
Right-of-use assets	17,940	12,232
Non-derivative financial assets	933	855
Derivative financial assets	32,482	8,708
Other non-financial assets	3,227	1,324
Deferred tax assets	18,649	15,447
Non-current assets	168,217	111,359
Inventories	469,167	295,252
Trade receivables	161,195	151,530
Non-derivative financial assets	1,977	1,245
Derivative financial assets	59,024	40,840
Income tax receivables	5,227	1,842
Other non-financial assets	31,957	24,534
Contract assets	613	558
Cash and cash equivalents	9,606	13,602
Current assets	738,765	529,403
	906,983	640,762
Equity and liabilities (in EURk)		
Subscribed capital	9,662	9,662
Capital reserve	26,677	26,677
Retained earnings	304,989	257,128
Other reserves	45,815	14,804
Equity of shareholders of Einhell Germany AG	387,143	308,271
Non-controlling interest	10,861	3,530
Equity	398,004	311,801
Provisions for other risks	499	1,350
Liabilities from debt capital	89,063	17,195
Deferred tax liabilities	31,517	15,644
Employee benefits	9,275	7,962
Lease liabilities	12,435	8,083
Derivative financial liabilities	623	0
Non-derivative financial liabilities	10,983	1,596
Other non-financial liabilities	286	304
Non-current liabilities	154,681	52,134
Trade payables	88,551	95,895
Income tax liabilities	9,435	10,975
Provisions for other risks	41,032	46,636
Liabilities from debt capital	121,172	54,374
Employee benefits	20,688	20,549
Lease liabilities	5,908	4,279
Derivative financial liabilities	5,032	1,879
Non-derivative financial liabilities	42,967	31,495
Other non-financial liabilities	18,765	10,134
Contract liabilities	748	611
Current liabilities	354,298	276,827
	906,983	640,762

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

(in EURk)	30.09.2022	30.09.2021
Revenue	805,709	686,671
Own work capitalised	86	196
Other operating income	8,491	4,773
Cost of materials	-523,973	-444,300
Personnel expenses	-86,796	-77,028
Depreciation and amortisation	-10,556	-7,868
Other operating expenses	-120,242	-101,398
Financial income	9,410	3,168
Financial costs	-12,955	-5,367
Profit before income taxes	69,174	58,847
Income taxes	-19,468	-16,636
Consolidated net profit	49,706	42,211
Thereof share of minority shareholders in consolidated net profit/loss	980	1,441
Thereof share of shareholders of Einhell Germany AG in consolidated net profit/loss	48,726	40,770

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

(in EURk)	30.09.2022	30.09.2021
Cash flows from/used in operating activities		
Profit before income taxes	69,174	58,847
+ Depreciation and amortisation of intangible assets and property, plant and equipment	10,556	7,868
- Interest income	-234	-136
+ Interest expenses	4,032	1,169
+/- Other non-cash expenses and income	405	-436
Operating profit before changes in net working capital	83,931	67,312
+/- Decrease/increase in trade receivables	-16,991	-33,067
+/- Decrease/increase in inventories	2,583	-98,666
+/- Decrease/increase in other assets	13,785	2,032
+/- Increase/Decrease in non-current liabilities	1,002	232
+/- Increase/Decrease in current liabilities	11,398	35,002
+/- Increase/Decrease in trade payables	-56,425	-3,940
Cash flows generated from operating activities	39,285	-31,095
- Taxes paid	-20,423	-13,453
+ Interest received	106	134
- Interest paid	-3,130	-706
Net cash from/used in operating activities	15,838	-45,120
Cash flows from/used in investing activities		
- Payments to acquire assets	-5,464	-10,809
- Payments for acquisition of consolidated companies	-17,838	0
+ Proceeds from disposal of assets	24	115
Net cash used in investing activities	-23,278	-10,694
Cash flows from/used in financing activities		
+ Proceeds from taking out loans	20,998	50,532
- Payments for repayment of loans	-2,344	-2,344
- Payments for acquisition of equity investments	-13	0
+ Proceeds from non-controlling interest	0	25
- Dividend payments to shareholders of Einhell Germany AG	-9,688	-8,178
- Dividend payments to non-controlling interests	-313	-379
- Payments for redemption portion of lease liabilities	-4,402	-3,815
Net cash used in financing activities	4,238	35,841
Changes to cash and cash equivalents due to currency exchange	1,295	1,488
Net decrease/increase in cash and cash equivalents	-1,907	-18,485
Cash and cash equivalents at beginning of reporting period	11,513	32,087
Cash and cash equivalents at end of reporting period	9,606	13,602

Segment reporting

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

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

Segment reporting by region

September 2022 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	328,439	146,431	71,430	198,692	60,717	0	805,709
Revenue based on registered office of the invoice recipient	353,781	156,019	78,191	210,161	7,557	0	805,709
EBT	31,841	6,439	7,680	16,723	10,031	-3,540	69,174

September 2021 in EURk	D/A/CH	Western Europe	Eastern Europe	Overseas	Other countries	Reconciliation	Group
Revenue based on registered office of the invoicing party	294,721	126,745	64,613	150,640	49,952	0	686,671
Revenue based on registered office of the invoice recipient	304,573	140,736	68,682	165,629	7,051	0	686,671
EBT	29,374	10,723	9,883	16,596	6,299	-14,028	58,847

Quarterly notification as of 30 September 2022

Financial calendar 2022/2023

Deutsches Eigenkapitalforum / Frankfurt am Main	29 November 2022
Annual financial statements as of 31 December 2022	End of April 2023
Quarterly notification as of 31 March 2023	Mid-May 2023
Annual General Meeting 2023	23 June 2023
Half year financial report as of 30 June 2023	Mid-August 2023
Quarterly notification as of 30 September 2023	Mid-November 2023

Legal company information

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Disclaimer

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

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



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