



# Wienerberger H1 Results

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# Wienerberger's growth path continues to deliver...

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## Innovation & Digitalization

Organic growth in all key markets by further **focusing on innovation, digitalization and ESG**



## Operational Excellence

Self-help program **well on track** including Operational Excellence initiatives and investments in ESG



## M&A and Portfolio Optimization

Further growth through **M&A activities in all our core markets** as well as **portfolio optimization**

### Revenues

**€ 1,867.5 mn**

(H1 2020: € 1,641.5 mn | Δ: 14%)

### EBITDA LFL

**€ 308.4 mn**

(H1 2020: € 254.1 mn | Δ: 21%)

### FY2021 EBITDA LFL

**€ 620-640 mn**

(upgraded FY 2021 guidance)



# ... and is well on track to meet its ESG targets 2023

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## Decarbonization

**Promising decrease in CO<sub>2</sub> emissions** across the entire portfolio **well in plan** across all Business Units

**CO<sub>2</sub> reductions  
> 5%**

(latest estimate FY 2021 versus 2020)

**Target 2023: -15%**



## Circular Economy

Ongoing **initiatives and R&D projects** such as **EcoCorr** (100% recycled PE pipes) **put us perfectly on track**

**New products reusable or recyclable**

**Target 2023: 100%**



## Biodiversity

**Implementation of biodiversity projects** well on track with specific **Biodiversity Action Plans**

**Biodiversity programs for all sites**

**Target 2023: 100%**

## Our Sustainability ratings



**More information in our Sustainability Report**





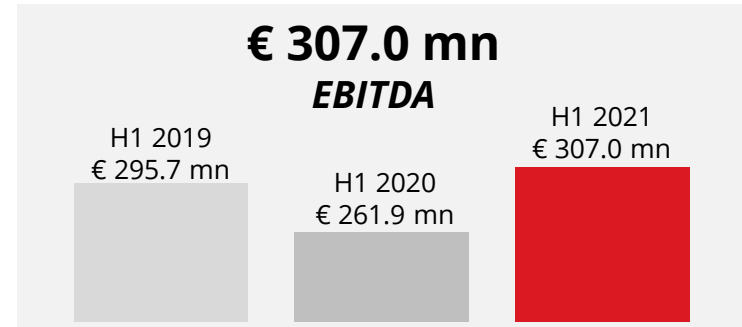
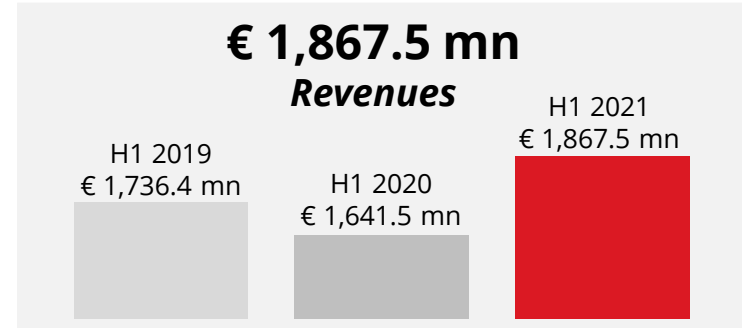
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# Strong H1 2021 performance due to focus on growth

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- › **Strongest half-year results** despite **partly muted developments** in core markets and **slow returns** to pre-crisis levels
- › **Outstanding developments in all our business areas**, even **exceeding pre-crisis level**
- › **Continuous growth** driven by focus on our **innovative product solutions** and **operational excellence program**
- › **Excellent supply chain management** supported margin improvement despite **challenging raw materials environment**





## H1 2021 – Business Unit Overview

# Strong results in all three business units confirm resilience of business model

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## Building Solutions



in € mn	H1 2021	H1 2020	Chg. in %
External revenues	<b>1,115.4</b>	1,014.4	10
EBITDA LFL	<b>219.2</b>	184.4	19
EBITDA	<b>220.3</b>	191.0	15
EBITDA LFL Margin	<b>19.6%</b>	18.6%	1.0pt

- › **Continued high demand** in all markets, especially for roof solutions, although slower recovery to pre-crisis levels
- › **Catch-up effects of weather-related challenges in Q1**

## Piping Solutions



in € mn	H1 2021	H1 2020	Chg. in %
External revenues	<b>569.7</b>	470.3	21
EBITDA LFL	<b>60.0</b>	53.0	13
EBITDA	<b>60.9</b>	53.4	14
EBITDA LFL Margin	<b>10.5%</b>	11.4%	-0.9pt

- › **Excellent supply chain management and successful procurement initiatives** ensured the availability of our products despite the overall difficult raw material situation
- › **Higher volumes** in infrastructure

## North America



in € mn	H1 2021	H1 2020	Chg. in %
External revenues	<b>180.2</b>	154.9	16
EBITDA LFL	<b>29.2</b>	16.8	<b>74</b>
EBITDA	<b>25.7</b>	17.4	48
EBITDA LFL Margin	<b>14.9%</b>	10.8%	4.1pt

- › **Results** were especially driven by a **high demand for piping products**
- › **Good operational performance in Canada**



# Strategic drivers for our resilient business model



Wienerberger continues to focus on growth by investing in the future



## Operational Excellence

- › Operational excellence and **continuous improvement** as part of **Wienerberger's DNA**
- › Continuous **upgrade of our industrial set-up**



## Innovation & Digitalization

- › Transform into a **full system solutions provider**
- › Expansion into **digital services**
- › Development of **new products** and designs
- › Supporting the Wienerberger **sustainability targets**



## Sustainability & ESG

- › Roll out of existing technologies and new technologies to **reduce energy consumption and CO<sub>2</sub> emissions**
- › Increase the share of **recyclable and reusable products**
- › Enhance **biodiversity** across all our production sites

# New technologies contributing to our ESG targets

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### New technology for heat recovery



- › **DryFiciency** addresses the challenge of the **huge quantities of unused waste heat**
- › Wienerberger tested the **new heat pump technology** in Austria, which showed **energy reductions in the drying process of up to 80%**



### Innovative solutions in Virtual Labs



- › **Electron microscopes** analyze brick microstructures in order to **reduce product weight, produce at lower firing temperatures** and **improve thermal insulation**
- › This can **reduce energy consumption** in production **by up to 15%** and **improve thermal insulation**



*Decarbonization*

**15%**

*less CO<sub>2</sub> emissions*

**Innovations supporting our decarbonization goal by 2023**



## Investments in Plant Optimization

# Enhanced plants and improved network in the Nordics...

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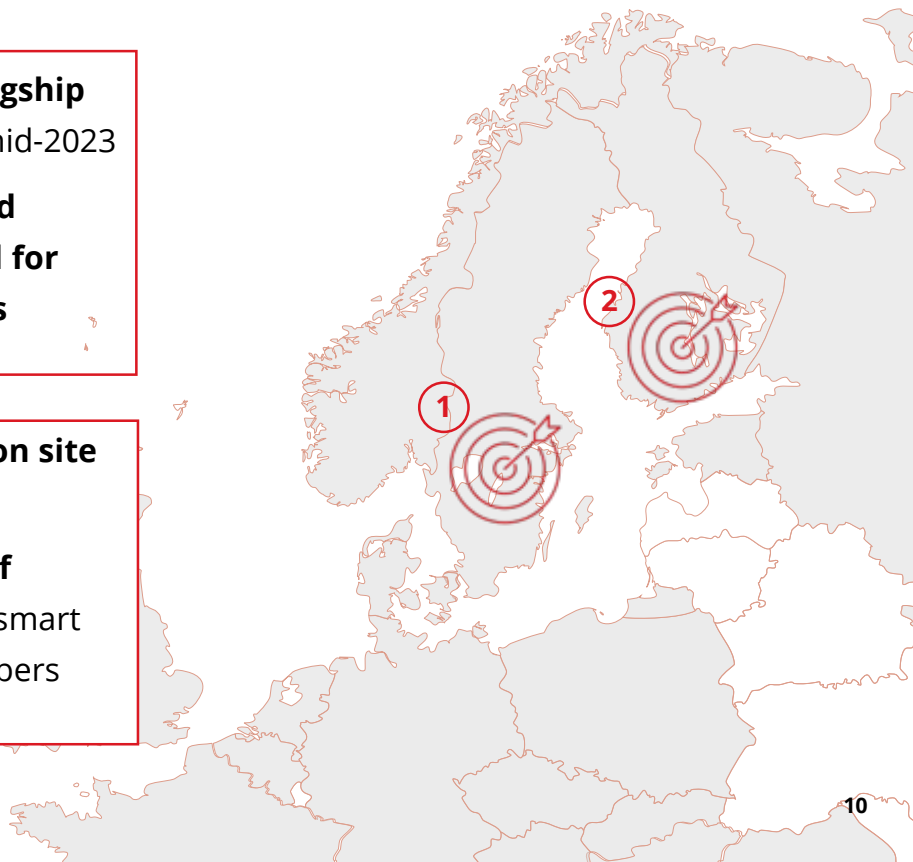
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- › **Ljung in Sweden** as largest flagship pipe plant in the Nordics by mid-2023
- › Triple production capacity and accommodate increasing need for piping systems in urban areas



2

- › Brand-new specialty production site in **Vantaa, Finland**
- › Focus on the manufacturing of specialized products, such as smart pumping stations, device chambers and XL-tanks



# ... to strengthen the market position of Wienerberger Piping Solutions in the Nordic market

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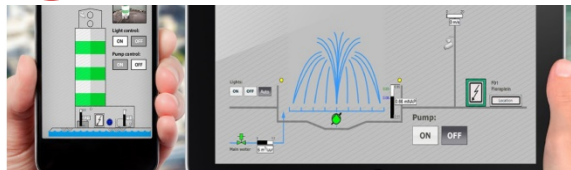
## Enhanced portfolio



Wienerberger enhanced its portfolio to **meet rising demand of large urban infrastructures** (e.g. XL pipes with larger diameters, bigger retention tanks)



## Digital solutions



Digitally enhanced solutions (e.g. Smart probe or Inter Act) to **remotely control and monitor** increasingly complex water management infrastructure



## Stormwater management



Stormwater management systems such as Raineo **prevent flooding during excessive rain and store water** to be used during droughts



Become a provider of **comprehensive system solutions** for **energy and water management** in the European market



Fully **committed to ambitious ESG targets** and **support European climate goals**



## Investment in M&A

# Driving value creation through selective M&A

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### Acquisition of Meridian brick <sup>1)</sup>

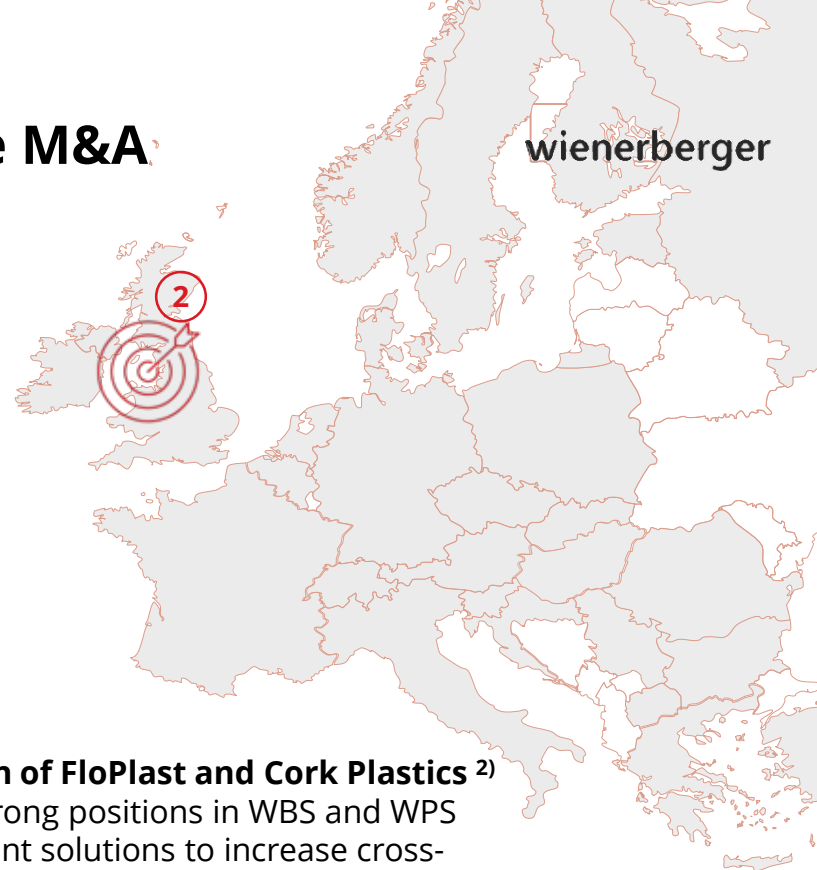
Potential to further grow and strengthen our position in the North American brick markets



2

### Acquisition of FloPlast and Cork Plastics <sup>2)</sup>

Build on strong positions in WBS and WPS with adjacent solutions to increase cross-selling and further improve our **system competence**



1) Good progress continues to be made with the appropriate authorities and closing of the transaction is expected over the course of Q3 2021 // 2) Closed beginning of July 2021

## A perfect strategic fit: “From Rain to Drain”...

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- > FloPlast and Cork Plastics have a **strong foothold in the UK and Ireland** with a well established product portfolio
- > **More than 90% of revenue** in the **non-cyclical renovation** segment
- > **Large exposure** to the fast growing **click-and-collect merchants**

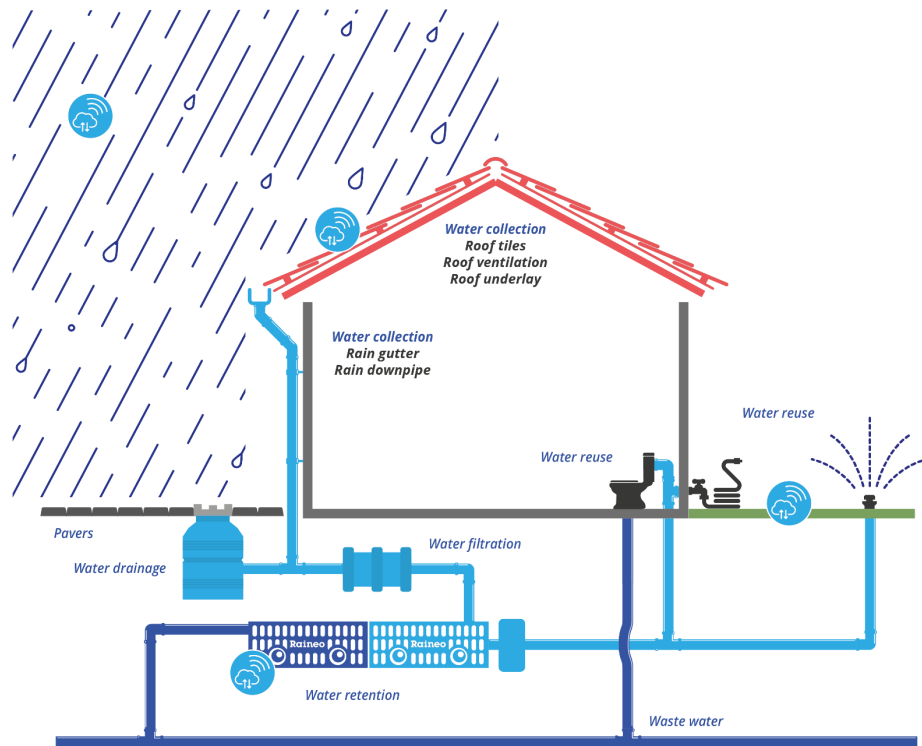
**Rainwater and roofline products** (c. 50% of revenues)  
as well as **drainage and inhouse soil & waste water**  
(c. 40% of revenues)

***connected and extended***

*with current Wienerberger portfolio*

to create **high quality, climate-friendly and affordable designed**

**smart inhouse system solutions**



To get a better understanding of **how our water management solutions work** refer to: <https://www.youtube.com/watch?v=wVvKL1Aelt4>



# ... and supports the right solution to face the challenges of current megatrends...

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### Impact of climate change

Climate change creates more unpredictable weather conditions (e.g. heavy rainfalls and rising sea levels), leading to **water scarcity** and **flooding** at the same time.



### Impact of population growth

Population growth **increases housing demand** and puts greater emphasis on the availability of clean water and its management.



### Impact of rapid urbanization

Urbanization puts **increased load on water management systems**. Urban areas have an **increased difficulty in diverting, storing & using rainwater sustainably**.

By creating in-house rainwater management systems for residents, we can decrease the load on water treatment systems, use water sustainably and decrease running expenses.



Wienerberger, FloPlast and Cork Plastics to offer solutions for using one of our most precious resources in a non-wasteful way while saving costs in the long run.

Our vision

# We improve people's quality of life

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By consequently following our strategic pillars and focusing on the right investments...

1

... we **actively take responsibility for our environment** and society and **ensure that future generations have the same opportunities as we have today**

2

... we build a **platform for further growth** and we are consequently driving **innovation and digitalization** as well as improving the offering of **sustainable system solutions**







Kindertospiz Balthasar (c) Wienerberger & Frank  
Reichmann, Bildagentur Rundblick

## Financial Highlights H1 2021

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## Financial Highlights

# Record results and improving profitability; solid balance sheet lays the ground for further growth

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Revenues

**€ 1,867.5 mn**

(H1 2020: € 1,641.5 mn | Δ: 14%)

EBITDA LFL <sup>1)</sup>

**€ 308.4 mn**

(H1 2020: € 254.1 mn | Δ: 21%)

Net Debt / EBITDA

**1.6x**

(H1 2020: 1.6x)

ROCE

**10.9%**

(H1 2020: 7.1% | Δ: 3.8ppt)

*1) Adjusted for effects from consolidation, sale of core and non-core assets, FX and structural adjustments*



## Income Statement

# Excellent operative performance translates to strong profit generation

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in € mn	1-6/2021	1-6/2020	Chg. in %
<b>Revenues</b>	<b>1,867.5</b>	<b>1,641.5</b>	<b>14</b>
<b>EBITDA LFL</b>	<b>308.4</b>	<b>254.1</b>	<b>21</b>
<b>EBITDA</b>	<b>307.0</b>	<b>261.9</b>	<b>17</b>
<b>Operating EBIT</b>	<b>181.3</b>	<b>136.5</b>	<b>33</b>
Impairment charges to assets	0.0	-23.3	>100
Impairment charges to goodwill	-10.7	-93.5	89
<b>EBIT</b>	<b>170.6</b>	<b>19.7</b>	<b>&gt;100</b>
Financial result	-25.9	-11.1	<-100
<b>Profit before tax</b>	<b>144.7</b>	<b>8.6</b>	<b>&gt;100</b>
Income taxes	-31.1	-32.2	3
<b>Profit/loss after tax</b>	<b>113.6</b>	<b>-23.6</b>	<b>&gt;100</b>
thereof hybrid coupon and non-controlling interests	1.0	5.9	-83
<b>Net result</b>	<b>112.6</b>	<b>-29.4</b>	<b>&gt;100</b>

Note: Rounding differences may arise from automatic processing of data

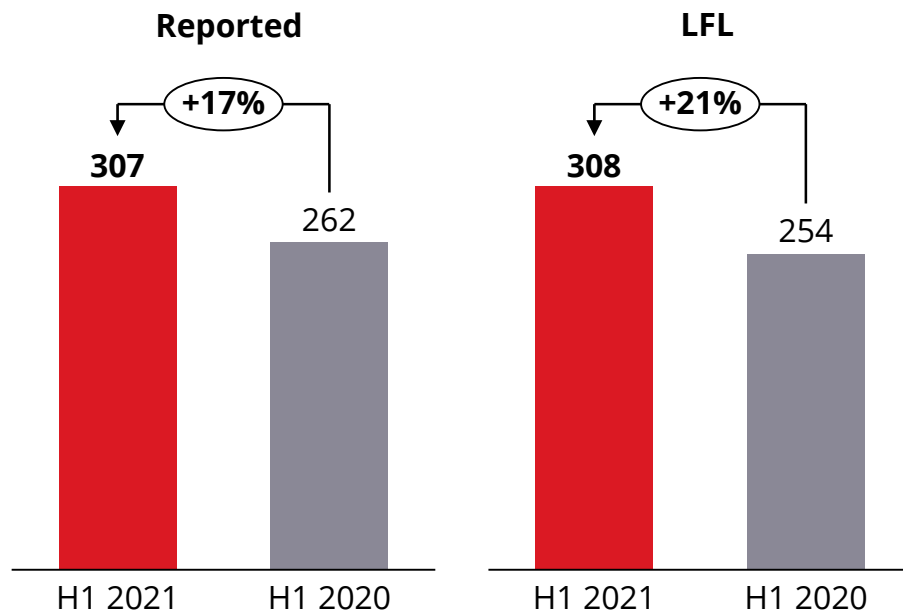
## EBITDA

# Strong profitability above pre-Covid levels

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## EBITDA Development

in € mn



## EBITDA adjustments in € mn

	1-6/2021	1-6/2020
EBITDA reported	307.0	261.9
FX	4.3	-
Consolidation	-0.9	-1.7
Sale of assets <sup>1)</sup>	-5.1	-10.2
Structural adjustments <sup>2)</sup>	3.1	4.2
<b>Total adjustments</b>	<b>1.5</b>	<b>-7.7</b>
<b>EBITDA LFL</b>	<b>308.4</b>	<b>254.1</b>

1) Sale of non-core assets

2) Costs related to repositioning and restructuring of selected businesses

Note: Rounding differences may arise from automatic processing of data

## Right measures are set to safeguard our margins

Overall rise in **cost inflation** is also impacting our business but **we are well-positioned** and **we took the right measures**



- > **Active centralized procurement**, which enabled us to counteract pro-active and fast
  - > **Optimized supply chain** and **inventory management**
  - > **Long-term supplier contracts** ensured the availability of raw material
  - > **Large parts** of our **energy and electricity** needs are **hedged**
- > **Self-help** program is **well on track**, especially operational excellence



- > **Price increases to cover cost inflation** were **successfully implemented** in our building solutions markets in H1 2021
- > **Active margin management** enabled us to **minimize negative impacts from the surge of plastic granulate prices** in the piping business



## Focus Topic – Self-help

# Self-help program already delivered € 20 mn in H1 2021

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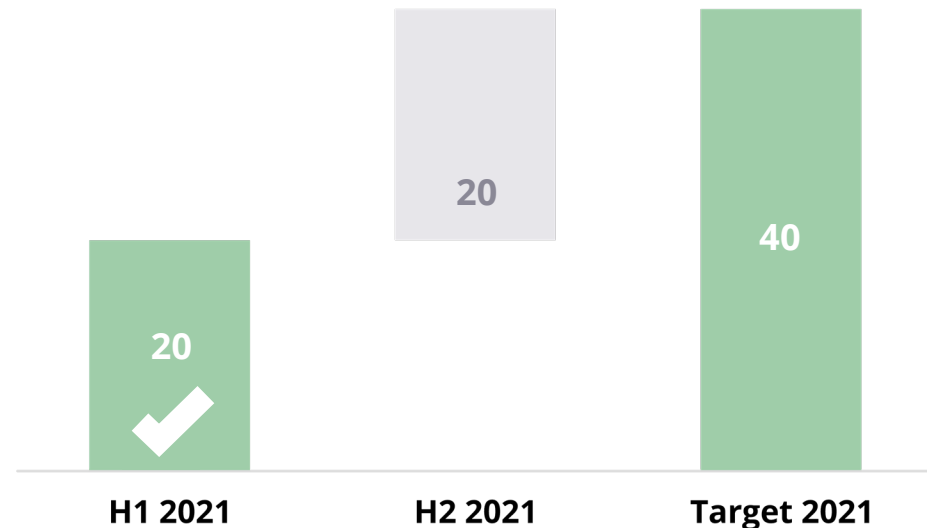
New Self-help program already **delivered**  
**€ 20 mn EBITDA contribution** in H1 2021



Target for **FY 2021**:  
**EBITDA contribution of € 40 mn**

- › Major drivers for H1 achievement have been **innovation, manufacturing** and **procurement** projects
- › Financial target of **€ 135 mn EBITDA enhancement** through self-help measures **until 2023** vs. 2020 baseline

EBITDA contribution from Self-help  
in € mn



## Cash Flow Statement

# Strong free cashflow generation provides the basis for further growth investments

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in € mn	1-6/2021	1-6/2020	Chg. in € mn	Chg. in %	1-12/2020
<b>Gross cash flow</b>	<b>236.9</b>	<b>187.8</b>	<b>49.1</b>	<b>26</b>	<b>440.6</b>
Change in working capital	-146.2	-153.2	7.0	5	64.1
Maintenance capex	-43.3	-46.1	2.8	6	-125.9
Divestments and other	20.3	-25.6	45.9	>100	63.7
Lease payments	-23.6	-22.9	-0.7	-3	-45.2
<b>Free cash flow</b>	<b>44.2</b>	<b>-60.0</b>	<b>104.2</b>	<b>&gt;100</b>	<b>397.3</b>
Special capex	-32.0	-21.9	-10.1	-46	-75.2
M&A	-6.8	-2.0	-4.8	<-100	-10.5
Dividend & share buyback <sup>1)</sup>	-67.4	-19.7	-47.7	<-100	-87.5
Hybrid coupon & buyback	-225.4	-40.7	-184.7	<-100	-45.7
<b>Net cash flow</b>	<b>-287.4</b>	<b>-144.3</b>	<b>-143.1</b>	<b>-99</b>	<b>178.4</b>

1) Including dividends paid to non-controlling interests // Note: Rounding differences may arise from automatic processing of data

## Balance Sheet

**Our focus on long-term value creation is reflected in strong performance and balance sheet ratios**

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in € mn	30.06.2021	30.06.2020	Chg. in %	31.12.2020
ROCE	10.9%	7.1%	3.8pt	8.9%
Equity <sup>1)</sup>	1,834.7	1,875.6	-2	1,749.0
Equity ratio	42.3%	43.0%	-	40.4%
Net debt	946.1	928.2	2	882.1
<b>Net debt / EBITDA <sup>2)</sup></b>	<b>1.6</b>	<b>1.6</b>	<b>-</b>	<b>1.6</b>
Gearing	51.6%	49.5%	-	50.4%
<b>Working Capital</b>	<b>708.4</b>	<b>773.7</b>	<b>-8</b>	<b>503.8</b>
Working Capital / External Revenues	19.8%	23.0%	-	15.0%

**>> Solid financial position with low net debt to EBITDA ratio of 1.6x** provides a comfortable headroom for growth investments and M&A transactions





Wesley Kvarnålet Marziale © Wienerberger

# Outlook 2021

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Outlook 2021 – Wienerberger Estimates

# Continuous solid developments expected

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- Market growth (>2%)
- Stable development
- Market decline (<-2%)



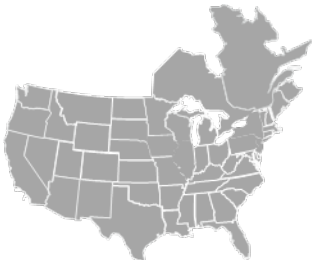
Western Europe



Central & Eastern Europe



Nordics



North America

New build



Renovation



Infrastructure



# Outlook 2021

## FY 2021 Guidance

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### ASSUMPTIONS

- › Market developments according to our current estimates
- › No further lockdowns assumed
- › Headwinds from rising plastics prices are not materializing as initially expected

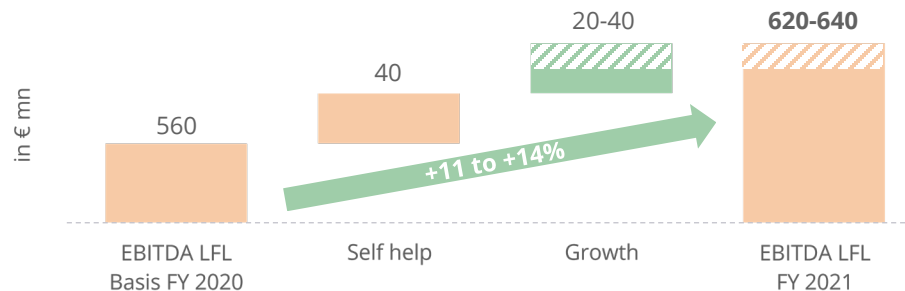
### COSTS & PRICES

- › Overall **goal** is to fully **cover cost inflation** in 2021; potential risk of further cost inflation in all markets
- › **Active margin management** in all business units

### CAPEX

- › Maintenance CAPEX: € ~120 mn
- › **Special & ESG CAPEX: € ~140 mn**

### EBITDA LFL<sup>1)</sup>



**Guidance 2021:**  
**EBITDA LFL<sup>1)</sup>**

**€ 620 – € 640 mn**  
as of July 5, 2021

<sup>1)</sup> No contribution from Meridian and acquisition of FloPlast and Cork Plastics considered



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