Results Presentation

Q1-3 2018

wienerberger

Disclaimer

Cautionary note regarding forward-looking statements

wienerberger

- The information contained in this document has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this information or opinions contained herein.
- Certain statements contained in this document may be statements of future expectations and other forward-looking statements that are based on management‘s current view and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.
- None of Wienerberger AG or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its content or otherwise arising in connection with this document.
- This document does not constitute an offer or invitation to purchase or subscribe for any securities and neither it nor any part of it shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

Highlights Q1-3 2018

Strong performance in first three quarters

wienerberger

Substantial earnings growth

Revenues	€ 2,495 mn | +6%
EBITDA LFL	€ 356 mn | +16%

Strong organic improvement across all divisions

Fully on track to achieve the upgraded 2018 goal for LFL EBITDA of € 460 - 470 mn

Highlights Q1-3 2018

Strong margin expansion in Q3

wienerberger

Clay Building Materials Europe

- Capitalized on very strong building activity in Eastern Europe through revenue and earnings growth
- Margin improvement and significant EBITDA increase in sound Western European core markets

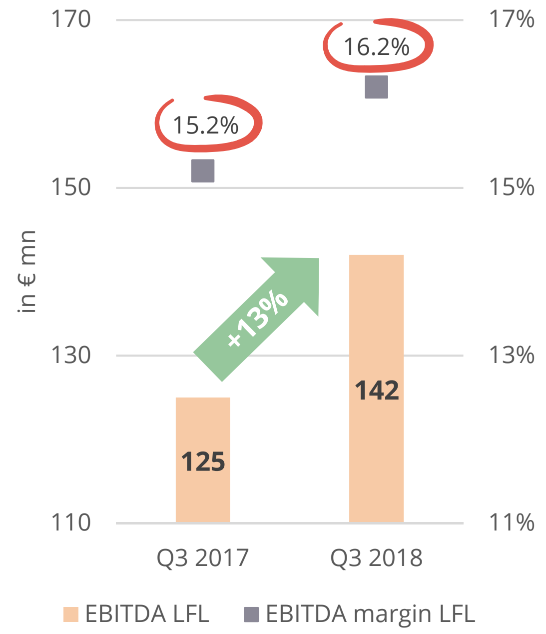
Pipes & Pavers Europe

- Substantial growth of concrete paving business
- Increasing number of infrastructure projects in Eastern Europe
- Successful completion of restructuring measures results in significant earnings improvement

North America

- Increased profitability in US brick business
- Very strong performance of plastic pipe business

Convincing Q3 performance



Highlights Q1-3 2018

Consistent execution of our strategic priorities

wienerberger

Implementation of Fast Forward 2020 fully on track;
Acceleration of profitability enhancement in Q3

Value creating bolt-on acquisitions

Completed restructuring measures yield
expected earnings contribution

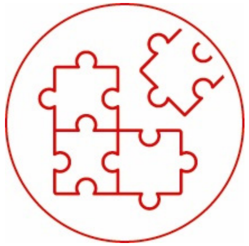
Buyback of 1.2 mn shares executed successfully

Clear strategy for generating growth and value

wienerberger

Organic growth

Operational Excellence



Growth projects & Portfolio optimization

It is our culture to strive continuously to accelerate our growth efforts

Operational Excellence

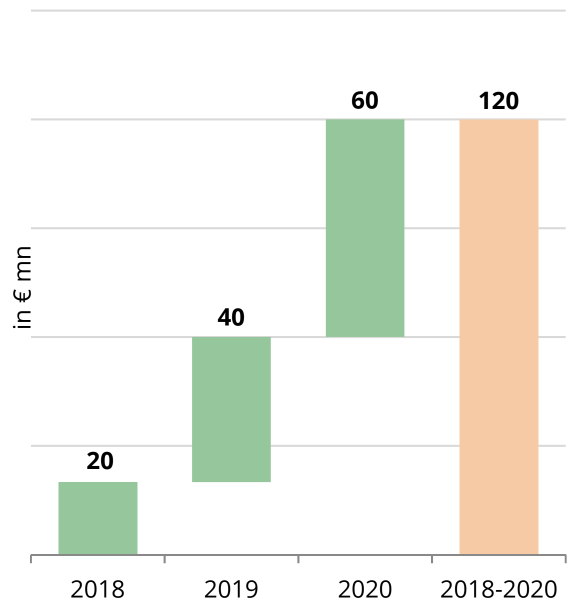
Fully on track with Fast Forward 2020

wienerberger

- Groundwork completed to realize full savings potential
- Implementation results in acceleration of profitability enhancement in Q3
- Streamlining of organization will support the unlocking of full optimization potential

Cumulated EBITDA improvement from Fast Forward 2020 in Q1-3 2018: € 16 mn

Path to full-savings potential



Fast Forward 2020

Streamlining of organization

wienerberger

- Going forward we will drive our growth strategy through three Business Units:
  - **Wienerberger Building Solutions** will further develop the product portfolio by leveraging innovative opportunities
    - Integration of concrete paving business underlines broader scope in terms of end markets, applications and materials
  - Pipe activities will intensify their co-operation by bringing the broad plastic pipe portfolio and the distinctive competence in pre-sales together in **Wienerberger Piping Solutions**
  - **North America** is not subject to change
  - The former Holding & Others Division will seize to exist
    - Holdings costs will be allocated to Business Units
- Organizational changes will take effect on January 1, 2019

New organizational structure to help unlock optimization potential

Wienerberger Group

- CBM Europe, concrete paving activities and India become **Wienerberger Building Solutions**
- Plastic pipe and ceramic pipe businesses become **Wienerberger Piping Solutions**
- **North America**

Fast Forward 2020

Clearly defined workstreams

wienerberger

€ 120 mn

2018-2020

1. Manufacturing Excellence
2. Commercial Excellence
3. Procurement
4. Supply Chain Management
5. General Administration
6. Turnaround cases

Broadening of product range

Exploring innovative insulation materials

wienerberger

- We are broadening our product portfolio by entering into a strategic partnership with R&D-focused start-up Interbran
- Wienerberger will contribute capital and industrial knowhow
- Goal: The development of high-performing, non-flammable insulation solutions
  - Fully recyclable compound material made from mineral raw materials and high-performance additives
  - Solutions for variety of applications for walls, facades and roofs
- Target markets are Central and Western Europe

Organic growth
Geopolitical developments

wienerberger

- **Global trade war**
  - International trade war constitutes a risk factor for the global economy
  - Direct impact from potentially rising import duties on our business model will remain limited since we are a local producer for local markets
- **Brexit – Risk for well performing UK housing market**
  - We continue to expect a consensual solution for Brexit
  - Direct impact of a potentially hard Brexit on our business model is moderate
    - Majority of our sales are generated with locally produced goods
    - In no-deal Brexit scenario duties on imports under WTO agreements are negligible
    - Expected challenge: increased congestion at UK ports may impair trade flows
  - In the unlikely event of a hard Brexit, this might result in a cooldown of UK's economy and negatively affect consumer confidence

Capital allocation

Growth projects remain top priority

wienerberger

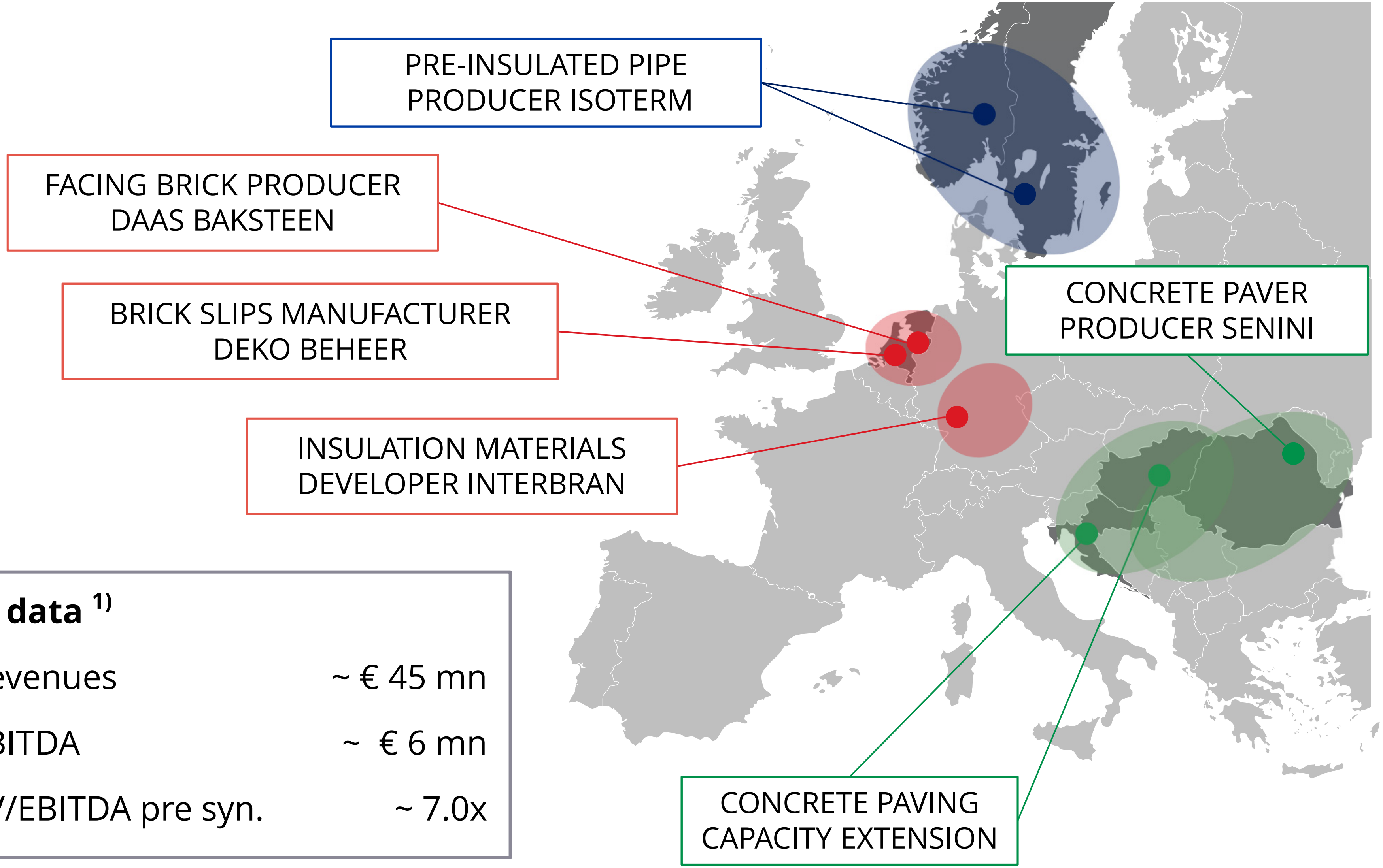
- Capital expenditures for growth projects in Q1-3 2018: **€ 91.6 mn**
- Continue to work on strong deal pipeline
- Strict catalogue of financial and non-financial evaluation criteria
- Commitment to strong financial discipline

Growth capex of up to € 200 mn to add to our core platforms in 2018

Capital allocation

Bolt-on M&A and organic growth projects 2018

wienerberger



Key data [1)]

› Revenues	~ € 45 mn
› EBITDA	~ € 6 mn
› EV/EBITDA pre syn.	~ 7.0x

1) Stand-alone contribution potential of bolt-on acquisitions on 12M basis pre synergies

Capital allocation

Portfolio optimization

wienerberger

- Sale of non-strategic assets and non-operating assets
- Value extracted from asset sales in Q1-3 18: **€ 44.6 mn**
- Ongoing review for streamlining our business portfolio

Unlock value of
~ € 150 mn in 2018 - 2020

Group goals

We are on track to realize our growth ambitions

wienerberger

2012

€ 217 mn

2017

€ 415 mn

- Record sales
- EBITDA growth for 5th consecutive year
- Net profit at 10-year high

2018 1)

€ 460 - 470 mn

- Continued EBITDA growth
- Margin expansion
- Implementation of "Fast Forward 2020" program

2020 2)

€ 680 mn

Clear growth strategy

- Organic growth
- Operational Excellence
- Growth projects & Portfolio optimization

1) EBITDA LFL
2) Including estimated impact of € 43 mn from implementation of IFRS 16

Summary

Markets 2018
Clay Building Materials Europe

wienerberger

- Slight growth in European residential construction
  - Positive market environment in Eastern Europe
  - Diverging regional trends in Western Europe

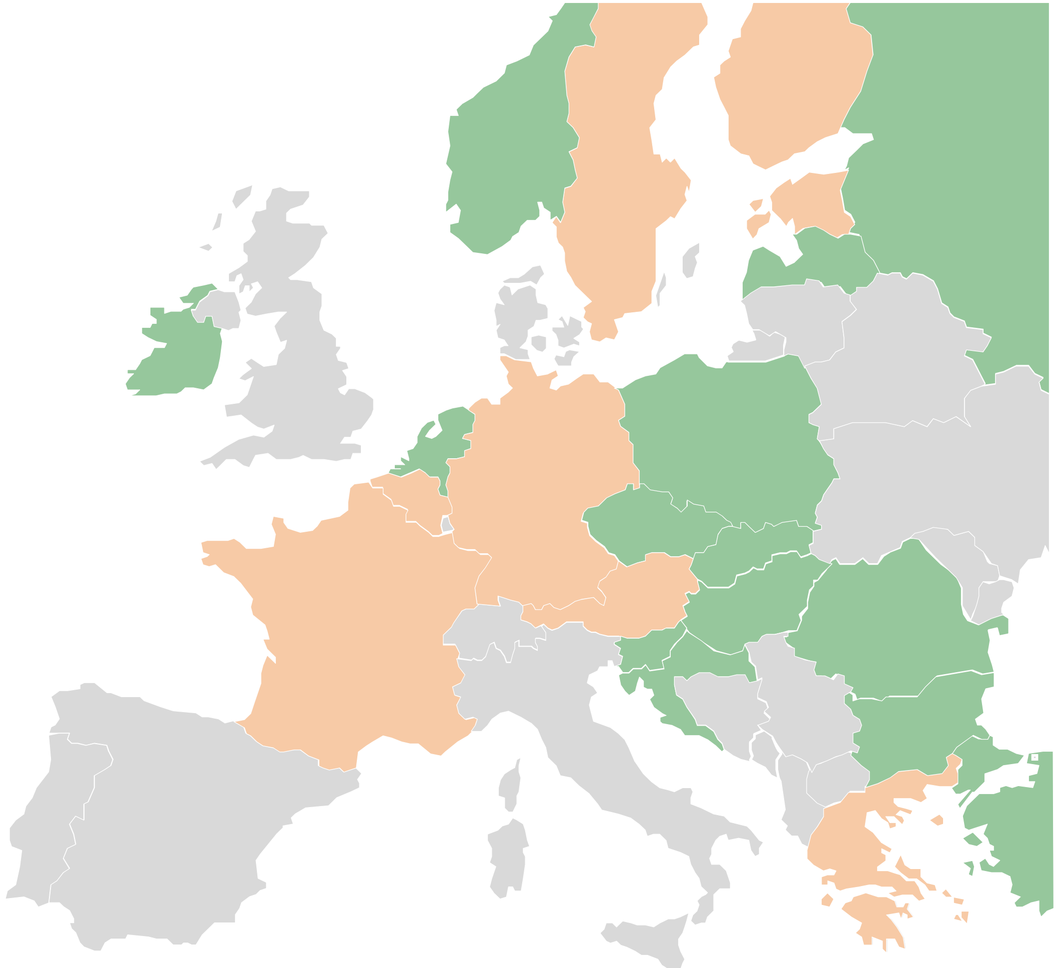
- Market growth (>2%)
- Stable development
- Market decline (<-2%)

Note: Estimates refer to developments in our relevant new construction and renovation markets for the clay block, facing brick and roof tile business.
Source: Management estimate

Markets 2018
Pipes & Pavers Europe

wienerberger

- Slight growth in European infrastructure market
  - Continuation of the positive market trend in Eastern Europe
  - Stable development in Western Europe
  - Sound market environment in Nordic countries



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

Note: Estimates refer to developments in our relevant markets and applications in the pipe business.
Source: Management estimates

Outlook 2018 reaffirmed

wienerberger

EBITDA LFL » € 460 mn - € 470 mn

Normal capex » ~ € 160 mn

Growth capex » up to € 200 mn

Maximizing our long-term growth potential

Organic growth

Operational Excellence

Growth projects & Portfolio optimization

Group EBITDA 2020 *

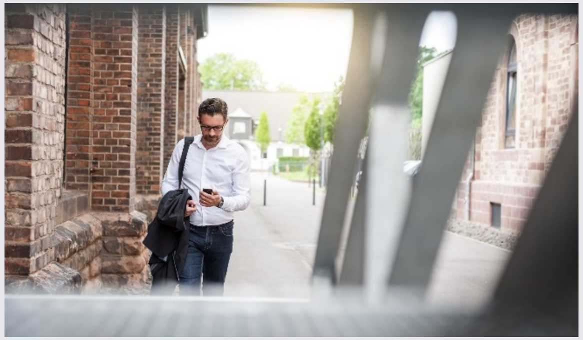
€ 680 mn

** Including estimated impact of € 43 mn from implementation of IFRS 16*


wienerberger
geared for growth

wienerberger

Highlights Q1-3 2018

Highlights Q1-3 2018

Clay Building Materials Europe

wienerberger

- Positive market environment used to increase volumes and prices
- Significant improvement of revenues and EBITDA
- Substantial margin improvement in Eastern Europe highlights strong operating leverage
- Successful integration of the acquired facing brick producer in the Netherlands
- Profitability improvement underlines successful repositioning of the German and Austrian organizations

CBME (in € mn)	Q1-3 2018	Q1-3 2017	Chg. in %
External revenues	1,433.8	1,344.4	+7
EBITDA	268.4	242.2	+11
EBITDA LFL	271.7	234.8	+16
EBITDA LFL margin	19.1%	17.5%	-

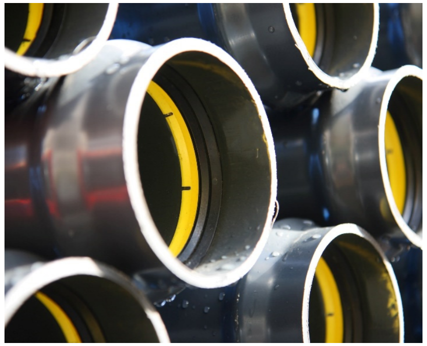
Highlights Q1-3 2018

Pipes & Pavers Europe

wienerberger

- Sound development of demand in core markets
- Significant increase of revenues and adjusted EBITDA
- Price increases compensate cost inflation
- Strong development of acquired activities in prewired electro conduits and pre-insulated plastic pipes
- Repositioning of French plastic pipe and ceramic pipe business completed successfully (one-time costs of € 16.1 mn in 2018)
- Portfolio optimization in concrete paving business proved to be an impulse for dynamic growth

P&P Europe (in € mn)	Q1-3 2018	Q1-3 2017	Chg. in %
External revenues	819.4	775.4	+6
EBITDA	59.1	66.2	-11
EBITDA LFL	72.7	66.7	+8
EBITDA LFL margin	8.9%	8.7%	-



Highlights Q1-3 2018
North America

wienerberger

- Substantial earnings growth
- Strong performance of US plastic pipe business
- Significant earnings contribution from acquired facing bricks producer

North America (in € mn)	Q1-3 2018	Q1-3 2017	Chg. in %
External revenues	235.0	234.0	0
EBITDA	34.4	21.4	+61
EBITDA LFL	30.7	21.2	+45
EBITDA LFL margin	12.9%	9.1%	-

wienerberger

Key figures Q1-3 2018

Income statement

Net income grows by 33%

wienerberger

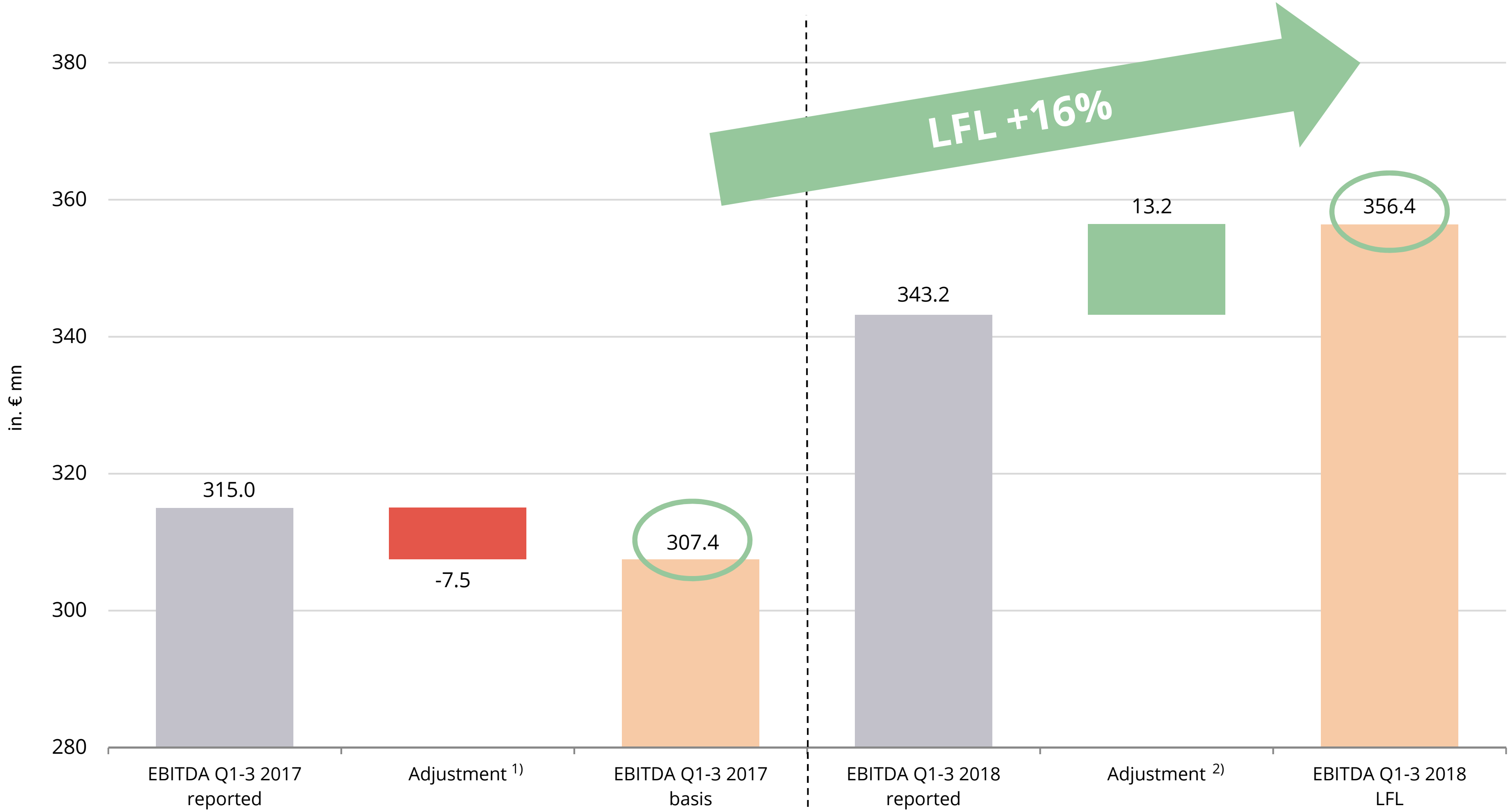
in € mn	Q1-3 2018	Q1-3 2017	Chg. in %
Revenues	2,495.2	2,361.0	+6
EBITDA LFL	**356.4**	**307.4**	**+16**
EBITDA	**343.2**	**315.0**	**+9**
Depreciation and amortization	139.9	140.8	-1
Operating EBIT	**203.3**	**174.2**	**+17**
Impairment and reversal of impairment charges to assets, goodwill and other	3.6	-6.0	>100
EBIT	**206.9**	**168.2**	**+23**
Financial result	-30.7	-24.9	-23
Profit before tax	**176.2**	**143.3**	**+23**
Income taxes	-40.6	-36.0	-13
Profit after tax	**135.6**	**107.3**	**+26**
thereof attributable to hybrid capital holders and non-controlling interests	9.9	12.6	-22
Net result	**125.7**	**94.7**	**+33**

Note: Rounding differences may arise from automatic processing of data

EBITDA bridge

Convincing performance in Q1-3 2018

wienerberger



1) Earnings effects from the sale of non-core assets and consolidation
2) Earnings effects from the sale of non-core assets, consolidation, FX and structural adjustments
Note: Rounding differences may arise from automatic processing of data

Cash flow development

Strong Free cash flow generation

wienerberger

in € mn	Q1-3 2018	Q1-3 2017	Chg. in € mn	Chg. in %
Gross cash flow	**251.4**	**227.5**	**+24**	**+10**
Change in working capital & others 1)	-145.2	-183.4	+38	+21
Normal capex	-95.6	-90.8	-5	-5
Divestments and other	60.6	21.7	+39	>100
Free cash flow	**71.2**	**-24.9**	**+96**	**>100**
Growth capex	-91.6	-10.5	-81	<-100
Dividend & share buyback 2)	-60.8	-31.7	-29	-92
Hybrid coupon	-13.6	-29.9	+16	+54
Net cash flow	**-94.9**	**-97.0**	**+2**	**+2**

1) Adjusted for changes in the consolidation range
2) Including dividends paid to non-controlling interests
Note: Rounding differences may arise from automatic processing of data

Balance sheet

Key figures

wienerberger

in € mn	30/9/2017	31/12/2017	30/9/2018	Chg. in % vs. 31/12/2017
Equity [1)]	1,875.4	1,911.2	1,934.2	+1
Equity ratio	51%	52%	51%	-
Net debt	681.6	566.4	686.0	+21
Net debt / EBITDA [2)]	1.6	1.4	1.5	-
Gearing	36%	30%	36%	-

1) Including non-controlling interest and hybrid capital (100% equity according to IFRS)
2) Calculated based on 12-months EBITDA
Note: Rounding differences may arise from automatic processing of data

Balance sheet

Development of net debt

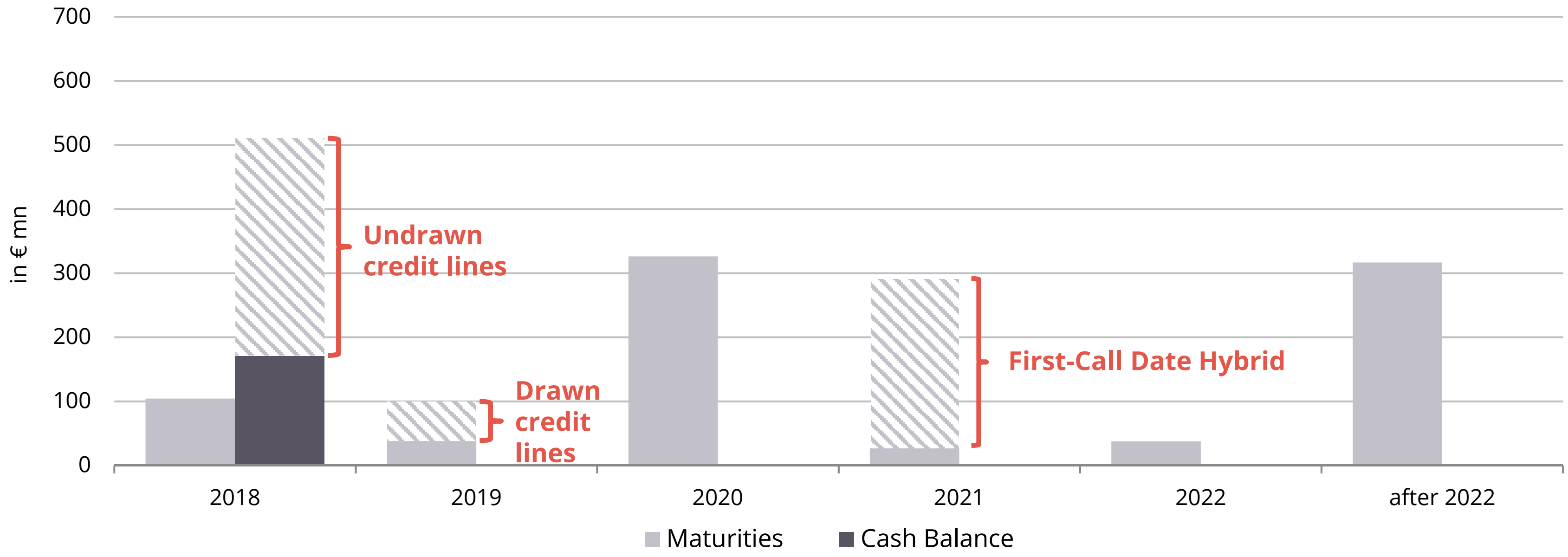
wienerberger

Note: Rounding differences may arise from automatic processing of data

Strong liquidity and balanced financing structure

wienerberger

- Cash 30/9/2018: € 171 mn
- Credit lines: € 400 mn
  - Thereof drawn 30/9/2018: € 67 mn
- Term structure:



Note: Term structure of gross debt, cash position and financial liabilities as of 30/9/2018

Key figures Q1-3 2018

wienerberger

Revenues

€ 2,495.2 mn

(Q1-3 2017: € 2,361.0 mn)

+6% | +5% LFL

EBITDA LFL[1)]

€ 356.4 mn

(Q1-3 2017: € 307.4 mn)

+16%

Growth capex

€ 91.6 mn

(Q1-3 2017: € 10.5 mn)

>100%

Net result

€ 125.7 mn

(Q1-3 2017: € 94.7 mn)

+33%

1) Adjusted for effects from consolidation, FX, sale of non-core assets as well as structural adjustments
Note: Rounding differences may arise from automatic processing of data

Wienerberger Investor Relations
Wienerberger AG, A-1100 Vienna, Wienerberg City, Wienerbergstrasse 11
T +43 1 60192 10221 / F +43 1 60192 10425, investor@wienerberger.com / www.wienerberger.com

wienerberger