



MANAGING BOARD PRESENTATION

Capital Markets Day, 2018

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STRATEGY UPDATE



WIENERBERGER IS ...

... A LEADING INTERNATIONAL SUPPLIER OF BUILDING MATERIALS FOR THE BUILDING ENVELOPE AND FOR INFRASTRUCTURE.

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DID YOU KNOW THAT ...

... WIENERBERGER IS BUILDING 167,000 HOUSES PER YEAR?



DID YOU KNOW THAT ...

... WIENERBERGER PIPES CIRCLE THE GLOBE 16x EVERY YEAR?


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OUR MISSION IS ...

**... TO IMPROVE PEOPLE'S QUALITY OF LIFE BY PROVIDING
OUTSTANDING, SUSTAINABLE BUILDING MATERIAL
AND INFRASTRUCTURE SOLUTIONS.**

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**BECAUSE WHAT IS OUR MOST
IMPORTANT SUCCESS FACTOR?**

OUR PEOPLE

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ENTHUSIASTIC PEOPLE



PEOPLE WITH A VISION



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PEOPLE WHO CARE ABOUT GETTING IT RIGHT

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INNOVATIVE PEOPLE



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PEOPLE WHO ENJOY THEIR WORK

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**PEOPLE DETERMINED TO DRIVE
OPERATIONAL EXCELLENCE**



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**THE PRIMARY GOAL OF OUR
ENTREPRENEURIAL ACTIVITIES IS TO ...**

**... ACHIEVE A SUSTAINABLE INCREASE IN THE VALUE
OF THE COMPANY IN ACCORDANCE WITH
ECOLOGICAL, SOCIAL AND ECONOMIC PRINCIPLES.**

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Group strategy

Clear strategy for generating growth and value

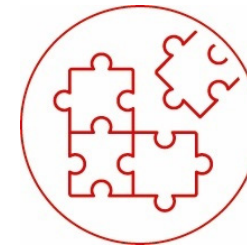
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Organic growth



**Operational
Excellence**



**Growth projects &
Portfolio optimization**

**Maximize our long-term
growth potential**

Highlights 2018: building on solid foundation



Convincing performance in first half of the year

Revenues	€ 1,607 mn +5%
EBITDA LFL	€ 214 mn +18%



Strong improvement in organic performance across all divisions



Fully on track to achieve 2018 goals

Group strategy

Updated target range for 2018 EBITDA LFL

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EBITDA LFL



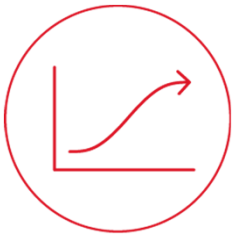
€ 460 mn – € 470 mn



Normal capex



~ € 160 mn



Growth capex



~ € 200 mn

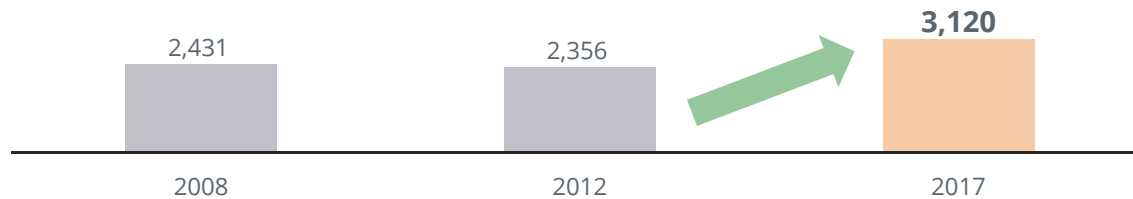
Group strategy

Generating growth

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in € mn

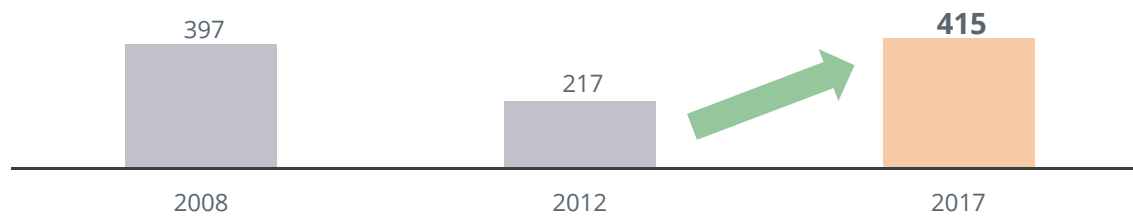
Revenues



Ø REVENUE GROWTH
+6%



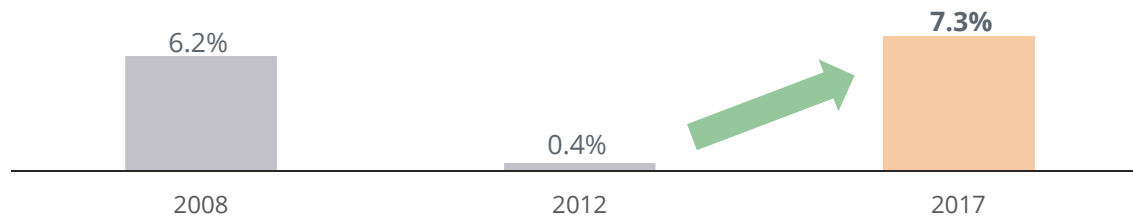
EBITDA



MARGIN EXPANSION
> 400 BP



ROCE



ROCE AT
10-YEAR HIGH



Group strategy

Strict value management

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- › Value management is based on **CFROI** and **ROCE**
- › Top management compensation is linked to the value management framework
- › The long-term remuneration component is based on CFROI and the share price performance



Commitment to firm targets

Key metrics

		2016	2017	Chg.
CFROI	%	7.2	7.4	+20bp
ROCE	%	5.8	7.3	+150bp
EVA®	€ mn	-23.5	5.5	+29

Group strategy

Cash flow return on investment

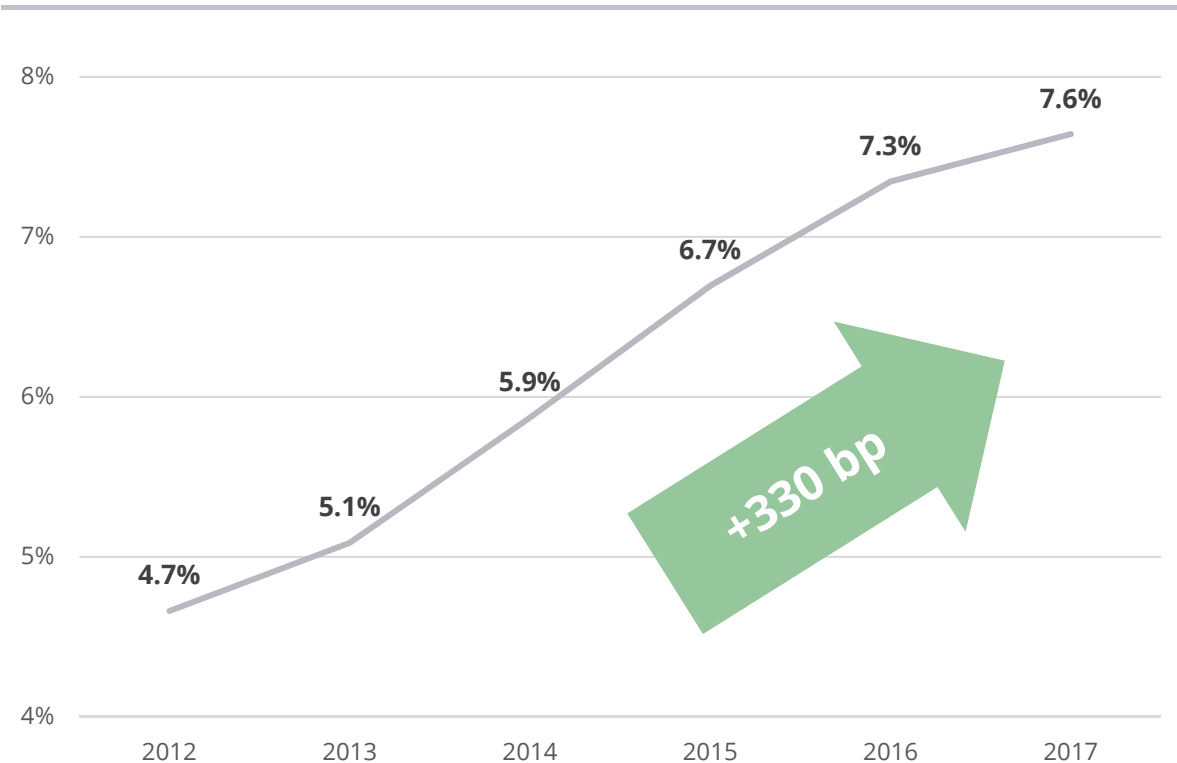
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- › CFROI permits a comparison of operating units regardless of the age of the assets
- › All growth projects have to exceed a CFROI of 11.5% in the third year after investment



We target a CFROI of 11.5% on Group level

CFROI development



Group strategy

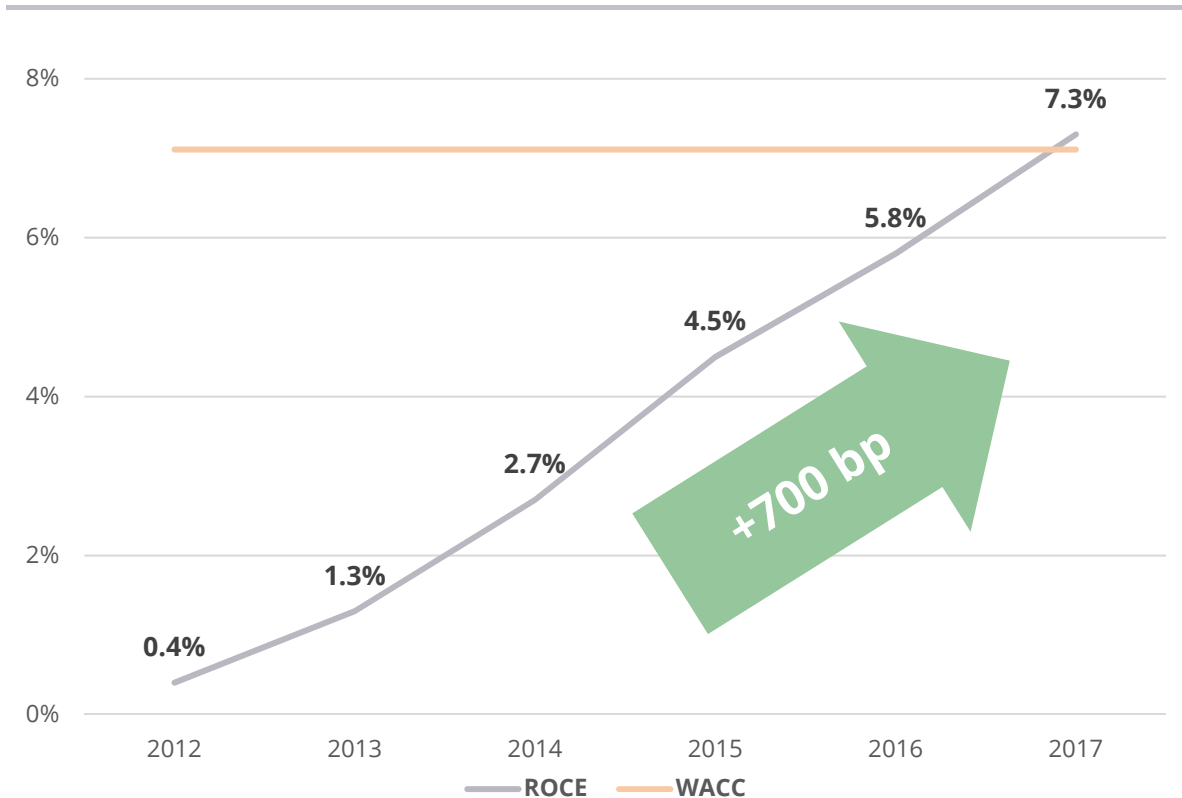
Return on capital employed

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- > ROCE is monitored and managed in conjunction with EVA[®]

We target to increase ROCE to >10% in the period until 2020 and to sustainably exceed our cost of capital

ROCE development



Group strategy

Sustainability Roadmap 2020

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- › Our focus on enhancing our sustainable business model is an integral part of our culture
- › The Sustainability Roadmap 2020 summarizes our self-imposed commitment to continuously improving our ecological, social, societal and economic performance
- › The Roadmap specifies quantitative targets for all areas identified as material by our stakeholders










Commitment to firm targets



Group strategy

Clear non-financial objectives

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	AREA		TARGET	ACHIEVEMENT
	EMPLOYEES	»»	Zero accidents	IN IMPLEMENTATION
	PRODUCTS	»»	Achieve more than 25% of Group revenues from innovative products	
	PRODUCTION	»»	Reduce energy consumption and CO ₂ emissions in production by 20% until 2020	IN IMPLEMENTATION
	RECYCLABILITY	»»	Increase the share of recycled material per ton of products produced	IN IMPLEMENTATION
	SOCIAL RESPONSIBILITY	»»	Zero incidents of corruption	

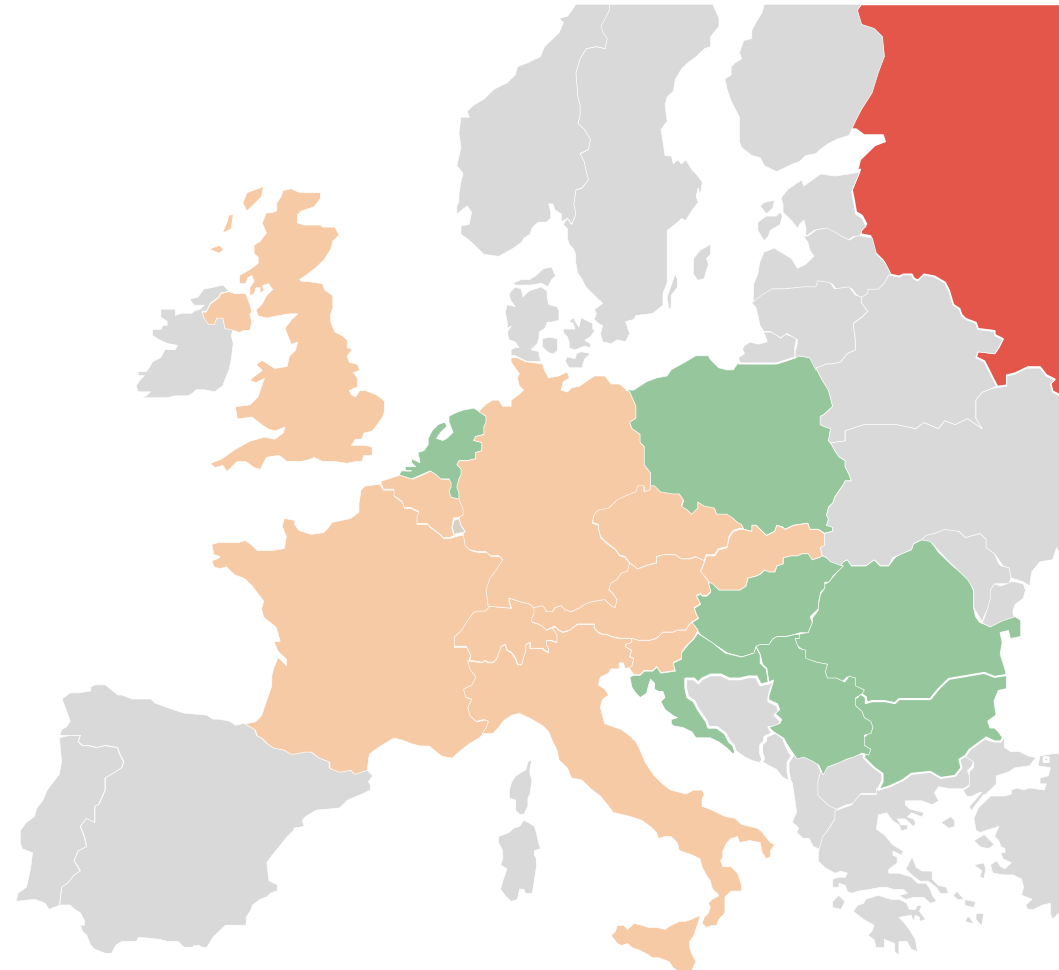
Group strategy

CBM Europe: Wienerberger market view 2019-2020

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- > Slight growth in European residential construction
 - > Positive market environment in Eastern Europe
 - > Stable development in Western Europe

- Market growth (>4% for the 2-year period in total)
- Stable development
- Market decline (<-4% for the 2-year period in total)



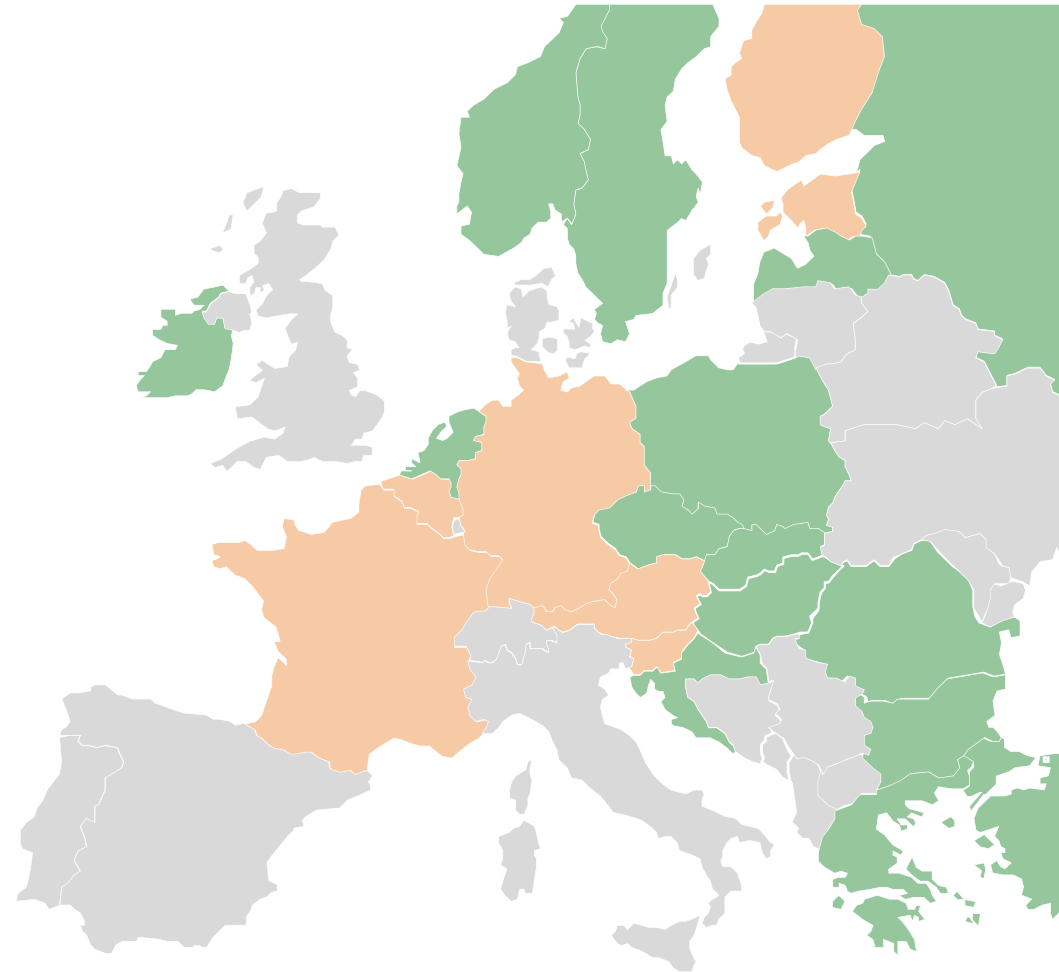
*Note: Estimates refer to developments in our relevant new construction and renovation markets for the clay block, facing brick and roof tile business.
Source: Management estimate*

Group strategy

Pipes Europe: Wienerberger market view 2019-2020 wienerberger

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

- Market growth (>4% for the 2-year period in total)
- Stable development
- Market decline (<-4% for the 2-year period in total)



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



Leading industrial platforms in our core markets

- > Europe, North America
- > Infrastructure, Residential, Renovation markets



Experienced and capable local management

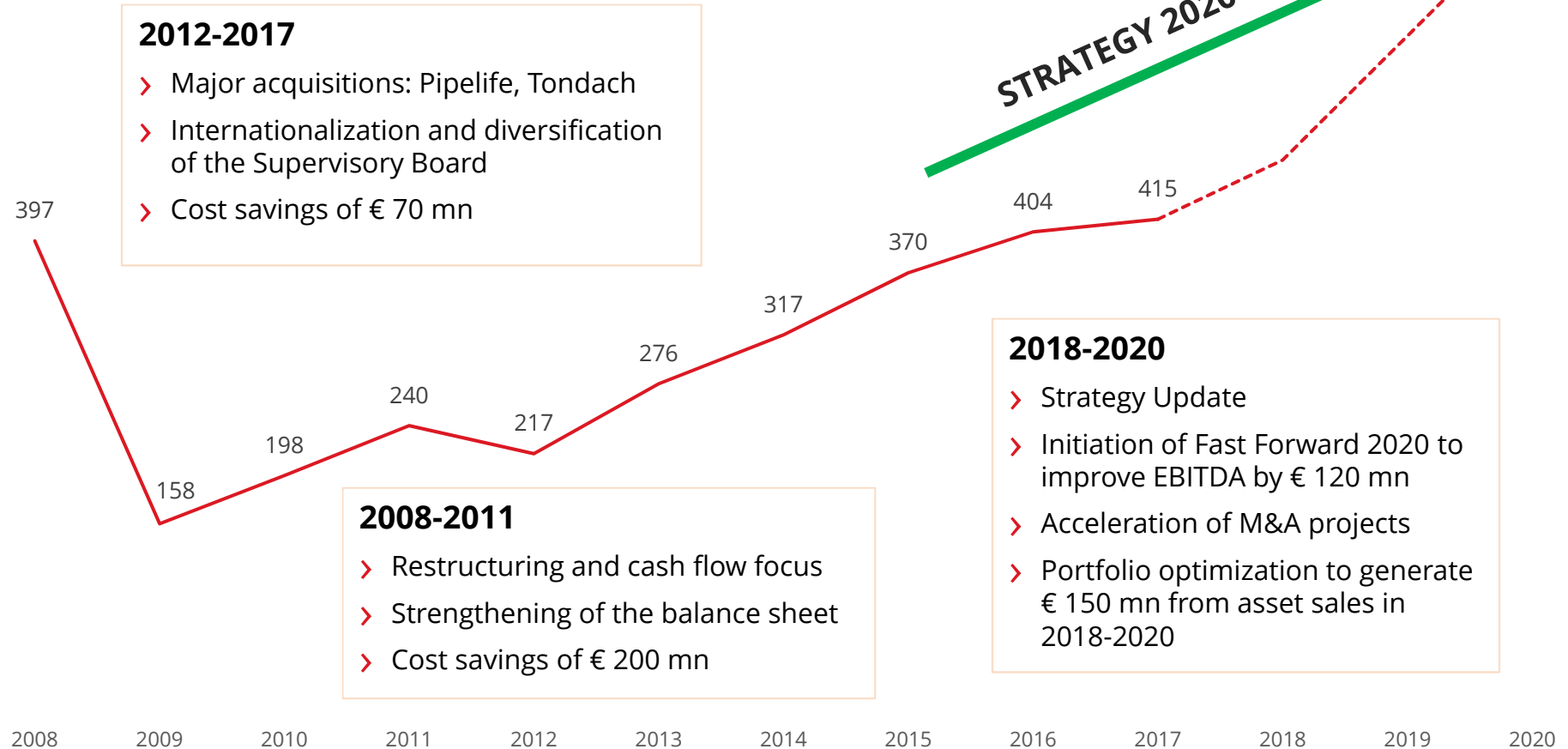


Customer orientation and innovative products

Group strategy

Entering phase of accelerated performance

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2012-2017

- > Major acquisitions: Pipelife, Tondach
- > Internationalization and diversification of the Supervisory Board
- > Cost savings of € 70 mn

2008-2011

- > Restructuring and cash flow focus
- > Strengthening of the balance sheet
- > Cost savings of € 200 mn

2018-2020

- > Strategy Update
- > Initiation of Fast Forward 2020 to improve EBITDA by € 120 mn
- > Acceleration of M&A projects
- > Portfolio optimization to generate € 150 mn from asset sales in 2018-2020

RESTRUCTURING



REPOSITIONING

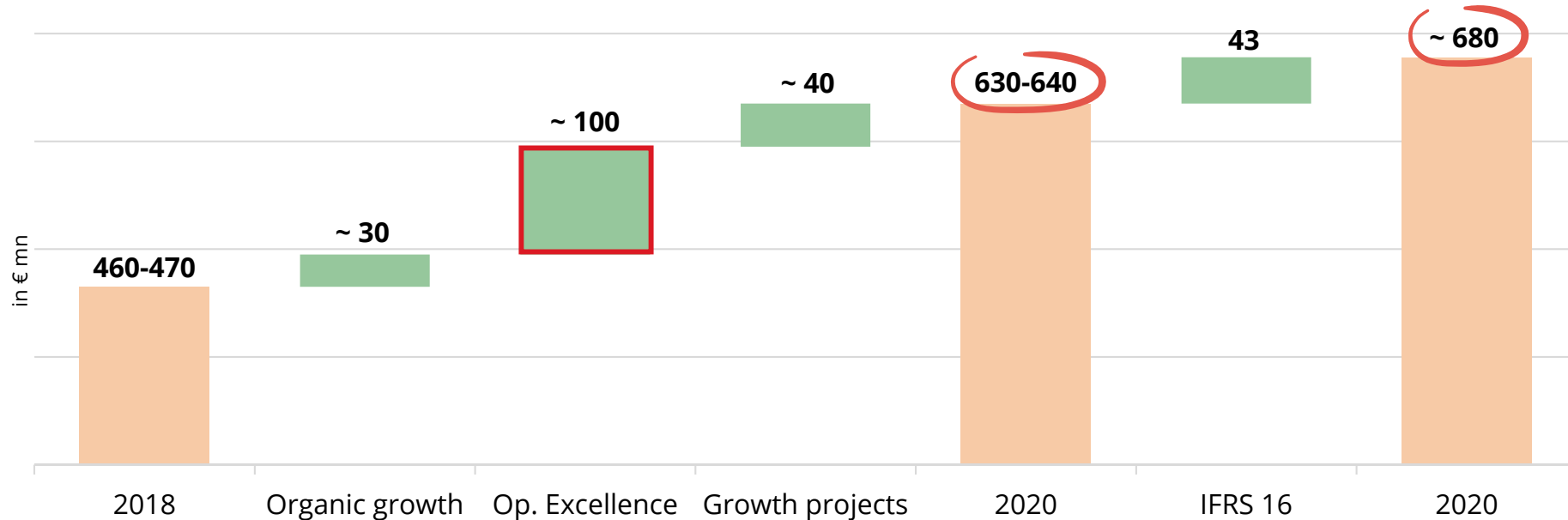


PERFORMANCE
ENHANCEMENT

Group strategy

Mid-term targets

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2018

- > Updated LFL EBITDA guidance range
- > Includes € 20 mn of contribution from Fast Forward 2020

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- > Targeting EBITDA growth of ~ € 15 mn per year on the back of volume growth and market share gains

Op. Excellence

- > Target 2019: € 40 mn
- > Target 2020: € 60 mn
- > Further savings of ~ € 20 mn expected for the period 2021-2022

Growth projects

- > Strong deal pipeline
- > Expecting to execute growth projects adding ~ € 20 mn to EBITDA per year

Group strategy

Clear strategy for generating growth and value

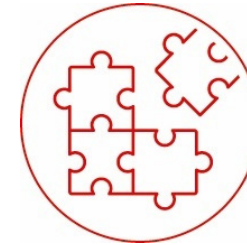
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Organic growth




**Operational
Excellence**



**Growth projects &
Portfolio optimization**

**Maximize our long-term
growth potential**



**Operational
Excellence**

Organic Growth

**Growth projects
& Portfolio
optimization**

Operational Excellence

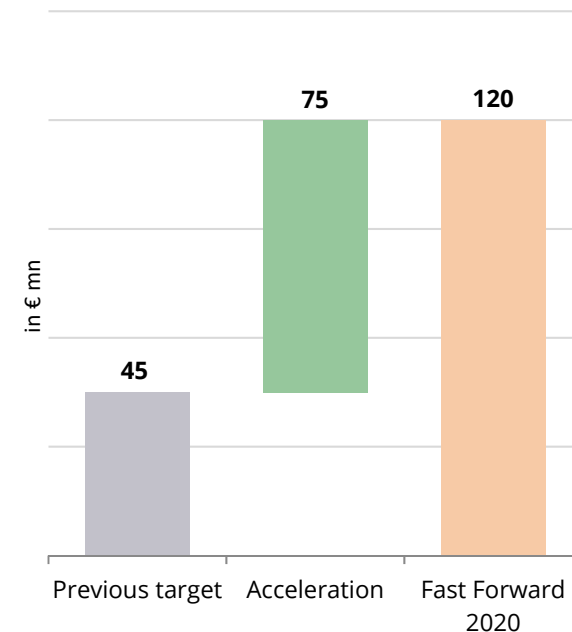
Introduction of “Fast Forward 2020”

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- › Review confirmed existing improvement initiatives as addressing the right levers
- › Additional improvement potential and more efficient structure for implementation identified
- › “Fast Forward 2020” bundles existing and additionally identified measures in a comprehensive action plan, which:
 - › Is a strong commitment to a firm goal and time frame
 - › Is executed by a dedicated team with the required resources
 - › Consists of clearly defined workstreams

EBITDA potential increased from € 45 mn to **€ 120 mn** in 2018-2020

Acceleration of EBITDA improvement measures



Fast Forward 2020

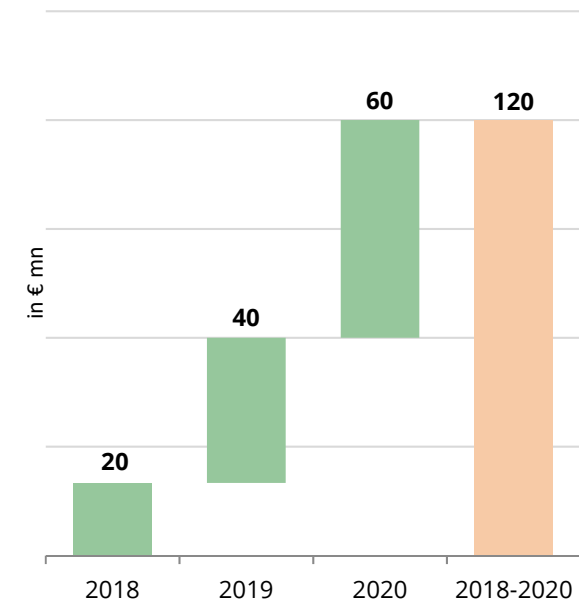
Incentivized team

- › Group CFO acts as project sponsor and assumes ultimate responsibility
- › All workstreams are centrally coordinated and monitored by a team of experts reporting directly to the Managing Board
- › Variable remuneration is linked to project milestones
- › The required resources have been committed to ensure realization
 - › Capex: ~ € 30 mn in 2019 | ~ € 20 mn in 2020
 - › Additional FTEs

Implementation is already underway

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Path to full-savings potential



Clearly defined workstreams

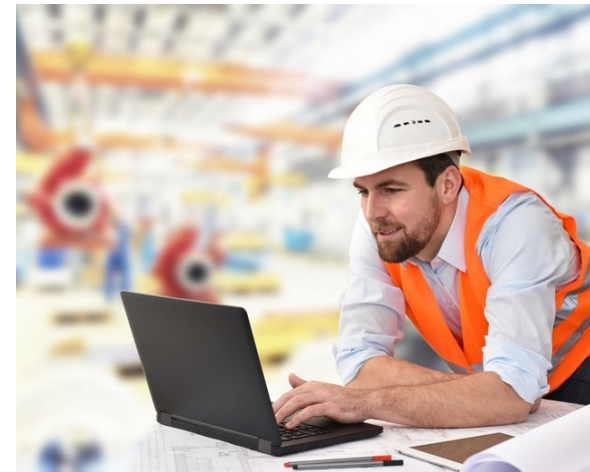


1 **Fast Forward 2020** **Manufacturing Excellence**

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- › The Manufacturing Excellence program is designed to
 - › Improve processes and eliminate bottlenecks
 - › Optimize organizational and cost structures
 - › Enhance energy efficiency and reduce scrap rate
- › Implementation roadmap established by ranking plants according to impact potential and payback

Significant optimization potential



© Uwe Strasser

1 Manufacturing Excellence

Holistic approach to plant optimization

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DIAGNOSTIC PHASE

- > Completed detailed analysis of
 - > Operations
 - > Maintenance
 - > Asset availability
 - > Energy efficiency
 - > Scrap rate
 - > Etc.



ACTION PLAN

- > Prioritization of identified levers with site management on the basis of diagnostic report
- > Define next steps and agree on
 - > Firm targets
 - > Binding timeline

IMPLEMENTATION

- > Local implementation with support from dedicated engineering team
- > Tracking of progress and target achievement through engineering team

DIAGNOSTIC PHASE



ACTION PLAN



IMPLEMENTATION

1 Manufacturing Excellence

Key levers to drive operational effectiveness

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ANALYZE PROCESS BOTTLENECKS

- › Compare technical capacity and current capacity utilization of different steps in the plants (press, dryer, kiln, packaging)
- › Analyze product portfolio implications
- › Identify improvement opportunities (production planning, equipment reliability, etc.)

IMPROVE PROCESSES & WORKLOAD LEVELING

- › Introduce an holistic maintenance process to better utilize work time
- › Map the required workload and time – optimize matching of demand and capacity
- › Centralize process monitoring within plant

AUTOMATION

- › Automation to decrease labor cost and improve quality and safety
 - › Eliminating repetitive manual tasks
 - › Closing gaps in the production process, which require manual work steps

ENERGY EFFICIENCY & SCRAP REDUCTION

- › Improve yield through optimizing energy efficiency and scrap rate, e.g. by:
 - › Lowering scrap rate with quality monitoring and adapted kiln parameters
 - › Optimizing kiln load curve
 - › Exchanging heating pumps

1 **Manufacturing Excellence**

Thinking ahead: Demoplant

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- › Identification and testing of new technologies is completed
- › Current stage: Prove effectiveness of combined solution by retooling test plant
- › Concept development is supported by digital process simulation

**Ambitious goal:
Cutting gas consumption by 50%**



1 Manufacturing Excellence

Thinking ahead: Digitalization of production

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- › Target of digitalized production: improving production performance and measurement
 - › Energy efficiency, production planning, scrap rate, down times, etc.
- › Automatic data gathering on plant level
 - › Conduct performance monitoring locally and groupwide via data cloud
 - › Analyze data in order to enable predictive maintenance
 - › Feed process simulation to support operators

Unlocking the potential of Industry 4.0



2 Fast Forward 2020 Commercial Excellence

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- › The Commercial Excellence program builds on existing initiatives and consists of three pillars:
 - › Pricing Excellence
 - › System Solutions
 - › Projects sales
- › To capture full potential our goal is to improve
 - › Organizational effectiveness
 - › Performance steering
 - › Commercial capabilities to fully capitalize on market opportunities

Leveraging our strong market access



2 Commercial Excellence Pricing Excellence

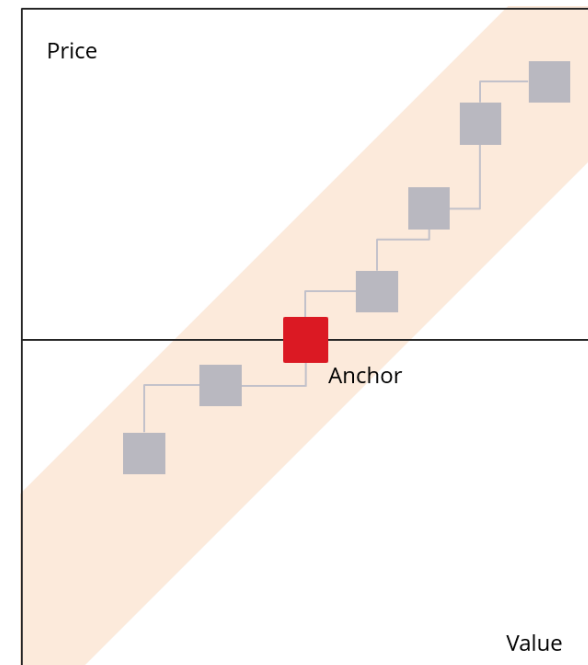
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Enforce value based pricing for our products

- › Continuous evaluation of a market's full pricing landscape including the positioning of competitors
- › Build on customer value perception of product features and price sensitivity to define anchor products for every product range
- › Optimize price points of anchor products based on their value drivers
- › Compare features (shape, color, texture, etc.) of full product portfolio with the anchor products and adjust prices accordingly

Capture the full value of
each product

Target outcome



2 Commercial Excellence Pricing Excellence

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Enhancing performance based reward system

- › Analyze reward system to compare performance based incentives between similar customer groups
- › Examine “margin leakage” in pricing waterfall
- › Set up action plan to align the outliers

Success story: Pricing Visualization

- › Establish a basis for comparing customers using a score card with weightings per criterion, e.g.
 - › Total invoice revenues, loyalty, growth potential, etc.
- › Use score card as a steering tool – What can a customer do to improve performance?



2 Commercial Excellence **Margin expansion through system solutions**

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Build on position as one-stop-shop solution provider

- › Increase revenue share of fittings and accessories across our entire product portfolio to
 - › Improve added value for our customers as provider of comprehensive system solutions
 - › Grow Group EBITDA margin

Project sales focus

- › Clear targets to gain market share in multi-family housing market
- › Dedicated project sales teams established to address key decision makers
- › Total sales approach



3 Fast Forward 2020 Procurement

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- › We have established professional procurement units per Business Unit with groupwide co-operation for certain spend types
- › Within FF2020 we initiate a change process to bundle initiatives across business units and to address:
 - › Increasing scope of strategic procurement
 - › Spend transparency across Business Units
 - › Organizational structure and governance for co-operation between local decision makers and central support function

Clear financial and non-financial milestones to manage change process



4 Fast Forward 2020 Supply chain management

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Optimization initiatives touch on both inbound and outbound product flows:

- > Network optimization of intracompany transportation for existing product portfolio
- > Digitalization and centralization for stockyard processes, inventory and order management
- > Analysis of freight costs for order delivery initiated

**Optimized product
flow at lower cost**



5 **Fast Forward 2020** **General Administration**

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Streamlining of the back-office to improve cost structures and enforce uniform standards

- > Harmonize quality standards and procedures
- > Automation of transactional processes

**Drive cost efficiency through
centralization and automation**



6 Fast Forward 2020 Turnaround cases

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- › Selective restructuring measures are a key part of our continuous optimization efforts and aim to
 - › Adjust cost structures to facilitate sustainable growth and margin improvement
 - › Refocus the business on value generating growth areas by stepping out of low growth businesses with unattractive return profiles
- › Expected savings and costs of additional measures will be guided upon announcement

**Strong implementation
track-record**



6 Turnaround cases Execution underway

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- › Significant restructuring measures have already been initiated

Pipelife FR

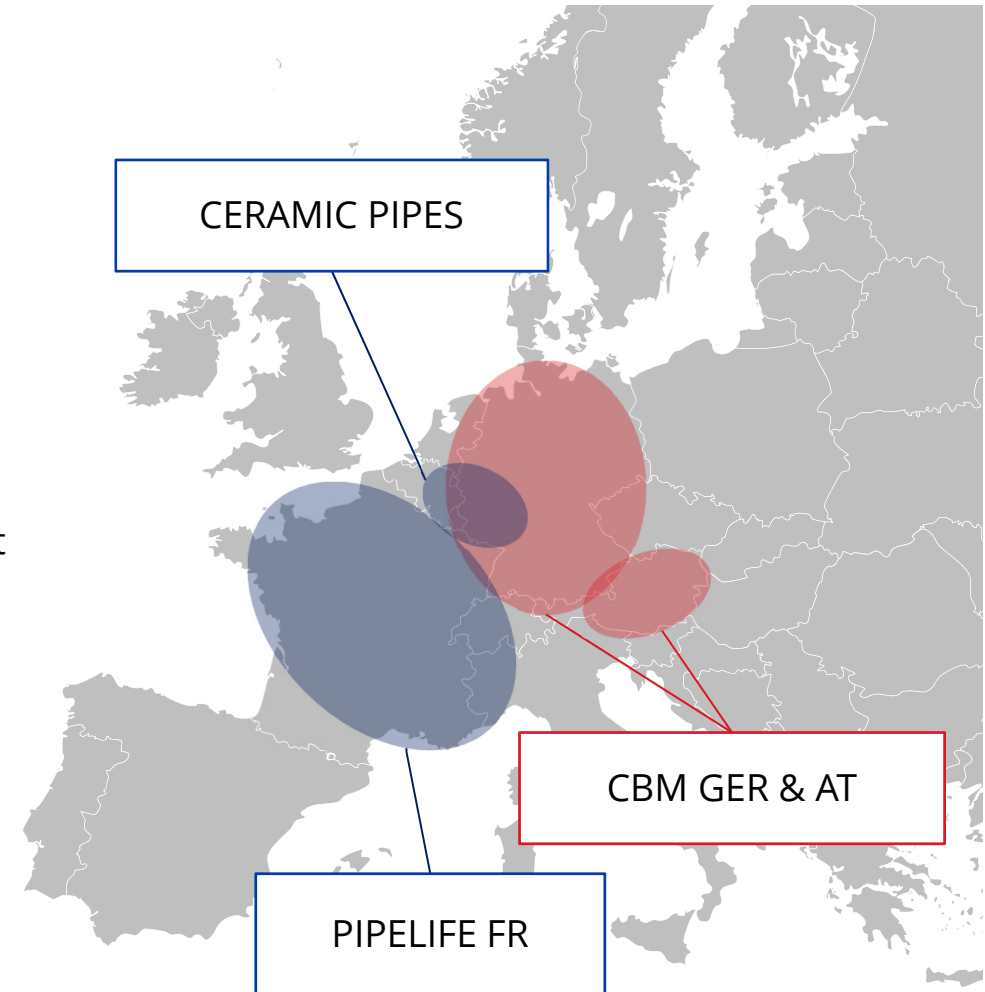
- › Repositioning of French piping business by closing one plant and stepping out of low margin commodity business

Ceramic pipes

- › Restructuring of ceramic pipe business by streamlining the production footprint, product portfolio and administration

CBM GER & AT

- › Adjustment of manufacturing footprint through value accretive bolt-ons and closure of outdated facilities combined with adjustments to administrative structures



**Implementation
fully on track**

Comprehensive action plan



Fast Forward 2020

Ambitious goals and firm timeline

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REALIZED IN 2018

€ 20 MN

GOAL 2019

€ 40 MN

GOAL 2020

€ 60 MN



**WE WILL TRANSPARENTLY REPORT
ON OUR PROGRESS EACH QUARTER**



**Operational
Excellence**

Organic Growth

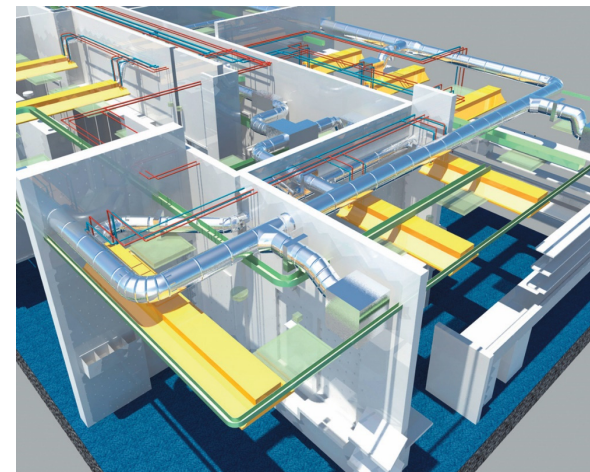
**Growth projects
& Portfolio
optimization**

Organic Growth

We are continuing to build on our core strengths

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- › We expect the market environment to remain sound in the period until 2020 allowing us to continue to build on our core strengths:
 - › Innovative products, services and solutions
 - › Strong platforms
 - › Market proximity
 - › Digitalization

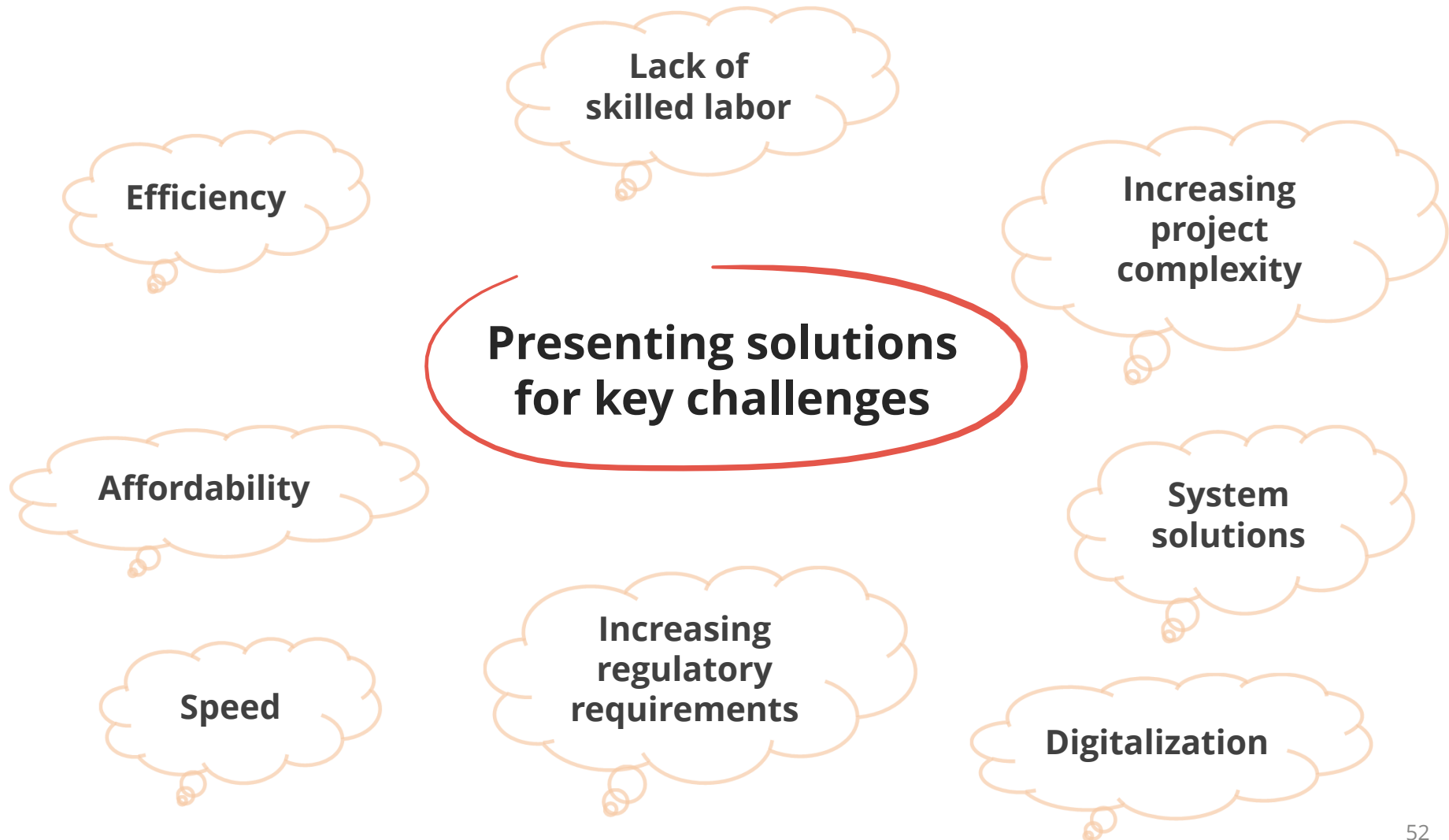


We expect an EBITDA improvement
from volume growth of approx.
€ 15 mn per year in 2019-2020

Organic Growth

Adding value for our customers

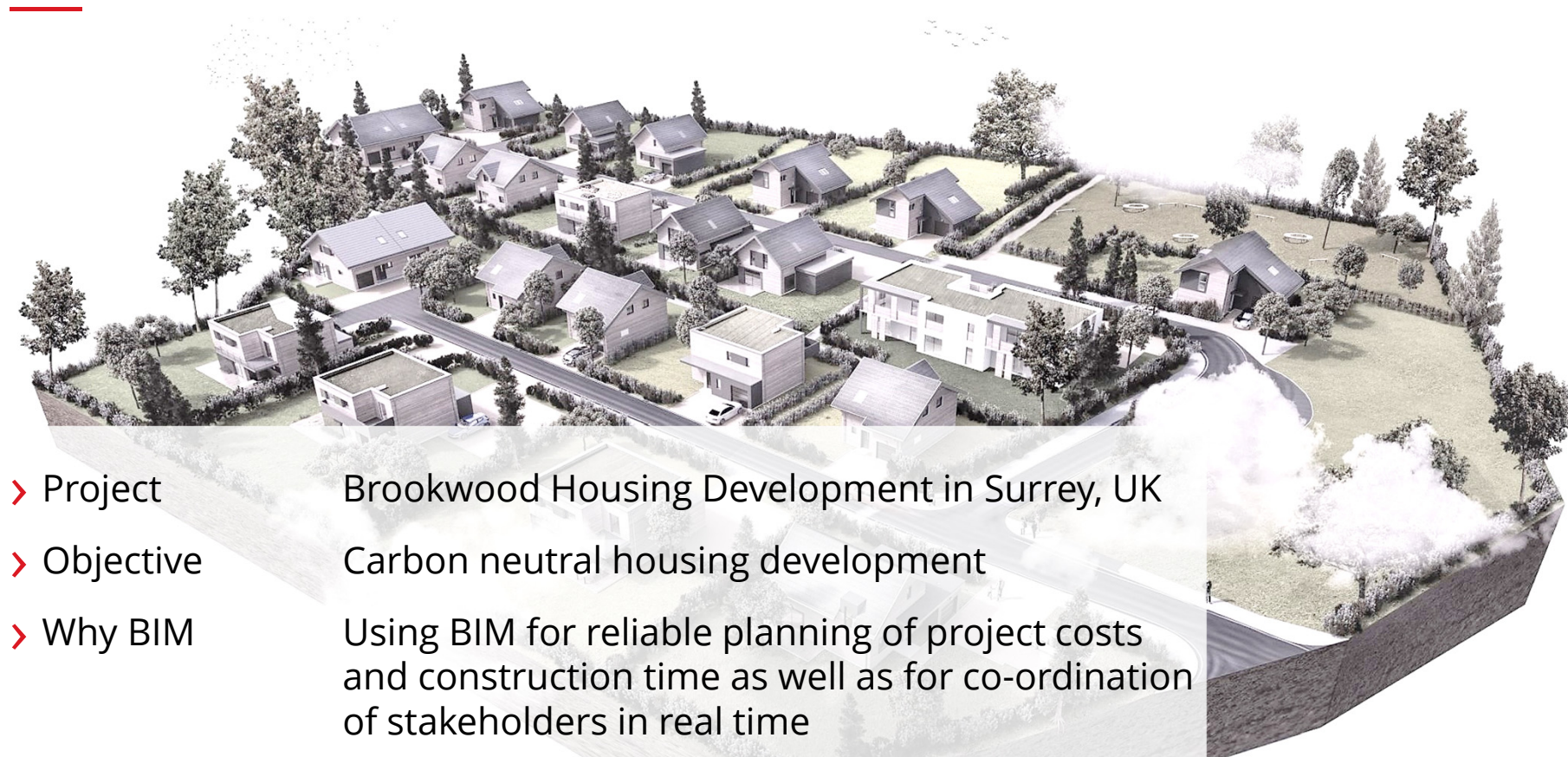
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BIM – Building Information Modeling

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- › Project Brookwood Housing Development in Surrey, UK
- › Objective Carbon neutral housing development
- › Why BIM Using BIM for reliable planning of project costs and construction time as well as for co-ordination of stakeholders in real time
- › Our service Wienerberger experts implemented the e4 Brick House concept, handled the design, the digital documentation and the submission for permits
- › Products Full range of products for e4 Brick house concept

Organic growth

Virtual tour through your future house

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- › Virtual illustration of customer specific building & floor plan – available within 48h
- › Virtual reality glasses and smartphone app enable tour through your future house including furniture
- › Cooperation with start-up moxVR
- › Already available at 11 Wienerberger partners across Austria



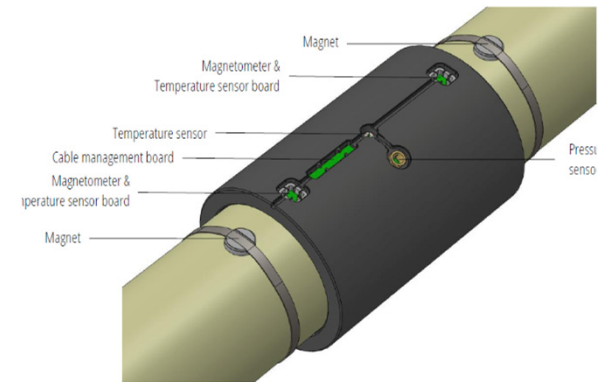
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Smarter pipes – application for multiple areas

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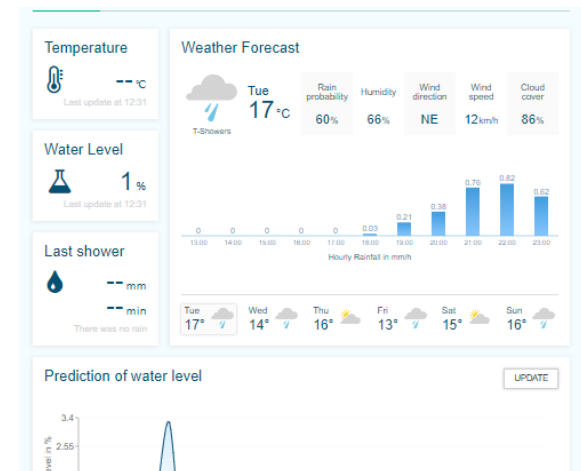
Smart fittings & probes

- › Sensors measure various parameters
 - › Temperature, leakage, pressure, etc.
- › Gathered data support decisions regarding replacement and lifetime prediction
- › Facilitates shift from corrective to preventive maintenance



Raineo Smart Meter – limiting floods

- › Compares real vs. predicted amount of water inflow
- › Warns up to two days ahead of possible overflows
- › Predicts when maintenance is needed

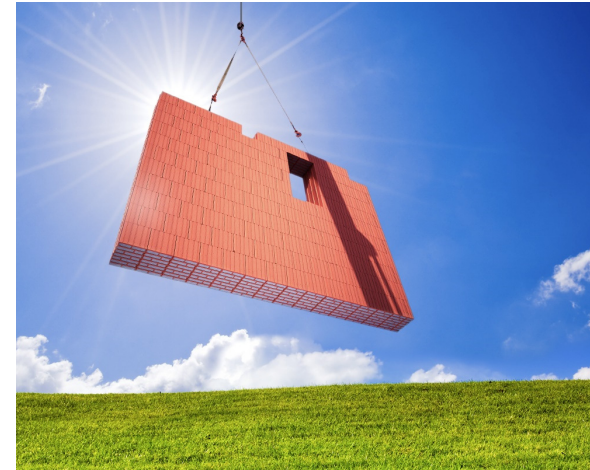


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Redbloc – Prefabricated brick walls

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- › Fully automated and weather-independent production of wall elements
- › Wall elements are built according to customer specific building plan
- › Unique dry gluing method
- › Prefabricated elements include lintels and cassette boxes for roller blinds
- › Versatile areas of application
 - › Single & multi-family homes and commercial buildings
- › Annual production volume of 160,000 m²



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HadrianX – robot replaces masons

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- › Precise manufacturing directly at the construction site
- › Truck mounted construction robot
- › Dynamic Stabilization Technology
 - › Measures and neutralizes the effects of wind, vibration and inertia
- › Building design digitally translated into 3D model
- › Advantages
 - › Build the walls of a house in a single day
 - › Highest possible accuracy
 - › Moving towards zero waste construction
 - › Significant cost savings
 - › Addressing the shortage of skilled masons

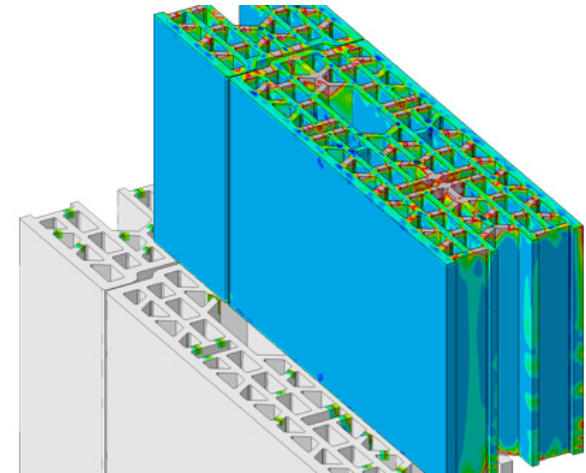


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Digital product development & 3D printing

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- › Digital product development helps to significantly accelerate and improve the development process
 - › Digital models predict the performance of new product designs
 - › Only designs from advanced simulations will be used for verification experiments in the lab
- › Rapid prototyping through 3D printing
 - › Prototypes are printed and optimized until mass production by less expensive means is feasible
 - › We successfully used this technology for optimizing the design of H-cassettes, which hold roof tiles during firing
 - › The optimized design resulted in a significant weight reduction and improved energy efficiency



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Roofplanner – a digital platform by Wienerberger

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- › Roofer uses Roofplanner tool to plan entire project based on client's project description
- › Advantages for all parties involved
 - › Customer
 - › Receives fast and detailed offer directly generated from the tool
 - › Roofer
 - › Uses platform as planning and CRM tool
 - › Orders complete list of required materials generated by planning tool directly from Wienerberger
 - › Wienerberger
 - › Strengthen relationship with roofer by creating shared workplace
 - › Collect information to better understand and serve our customers
 - › Move another step forward in becoming a one-stop shop



Organic growth

Build on our core strengths

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VOLUME GROWTH AND MARKET SHARE GAINS

INNOVATIVE
PRODUCTS,
SERVICES AND
SOLUTIONS

STRONG
PLATFORMS

MARKET
PROXIMITY

DIGITALIZATION

WE EXPECT AN EBITDA IMPROVEMENT
FROM VOLUME GROWTH OF APPROX.
€ 15 MN PER YEAR IN 2019-2020



**Operational
Excellence**

Organic Growth

**Growth projects
& Portfolio
optimization**

Growth projects

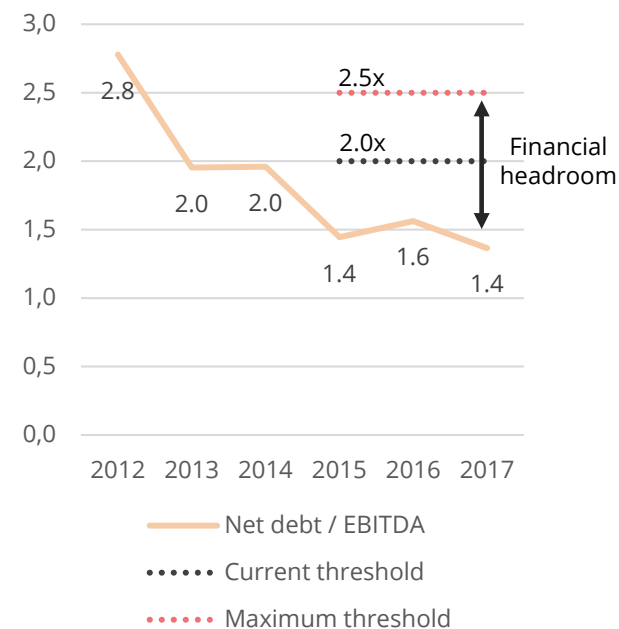
Attractive project pipeline

- › Growth projects will be value accretive and include M&A and organic investments
- › We have the required financial headroom to move decisively on value-creating opportunities
- › We are the natural partner for small to mid-sized competitors and see substantial value in bolt-on deals
- › Large transactions are required to be a:
 - › Strong strategic and cultural fit with manageable integration risk
 - › Fundamental extension of existing platforms

We target adding approx. **€ 20 mn** per year to Group EBITDA in 2019-2020

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Net debt / EBITDA



Growth projects

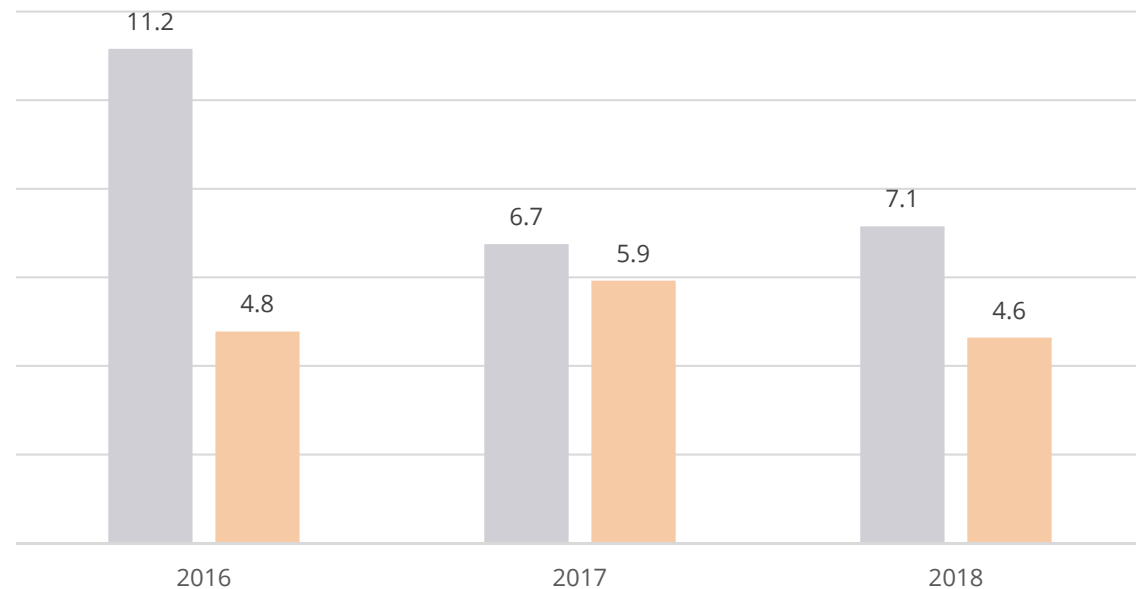
Strong track record of value-creating deals

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- › Since 2016 we have executed bolt-on deals for an average weighted EV/EBITDA multiple of 7.4x pre synergies
- › Post synergies the average weighted multiple declines to 5.3x

High confidence in our ability to build on this strong M&A track record

Avg. EV/EBITDA multiples



■ Stand-alone multiple in the acquisition year
■ Multiple post synergies in third year after acquisition

Growth projects

Strategic priorities in existing businesses

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Clay blocks

- › As the only pan-European producer of clay blocks we target bolt-on acquisitions to improve our regional market coverage and to complement our product portfolio

Facing bricks

- › Optimize footprint in European core markets
- › Consolidation opportunities in North America
 - › High probability of further bolt-on deals
 - › Closely evaluating opportunities for consolidation among leading competitors



Growth projects

Strategic priorities in existing businesses

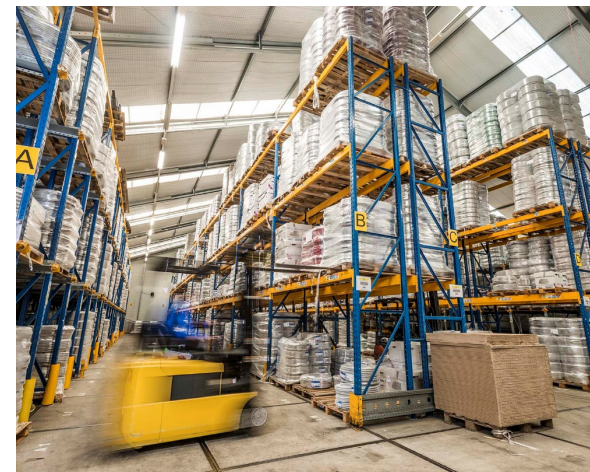
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Roof tiles

- › Actively evaluating all transaction opportunities

Concrete pavers

- › Bolt-on acquisitions in fragmented markets to strengthen our presence
- › Organic investments in additional capacity and debottlenecking of existing facilities



Growth projects

Strategic priorities in existing businesses

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M&A WILL PLAY AN IMPORTANT ROLE IN DEVELOPING THE PIPE BUSINESS

FURTHER DEVELOP VALUE-
ADDING SOLUTIONS IN
THE INHOUSE SEGMENT

FOCUS ON SMART
SOLUTIONS IN WATER
MANAGEMENT

BECOME STRONG
PARTNER FOR
AGRICULTURE INDUSTRY
WITH DRAINAGE AND
IRRIGATION

BENEFIT FROM MEGATRENDS

LACK OF SKILLED LABOR | TRANSFORMATION
TOWARDS SERVICE ECONOMY | CLIMATE CHANGE

Growth projects

Broadening our portfolio

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- › We target offering our customers the preferred solutions for buildings and infrastructure
- › We command strong positions for the building envelope in clay building materials and for public and building infrastructure in plastic pipes
- › We are evaluating opportunities to expand our portfolio and grow our share in the value chain

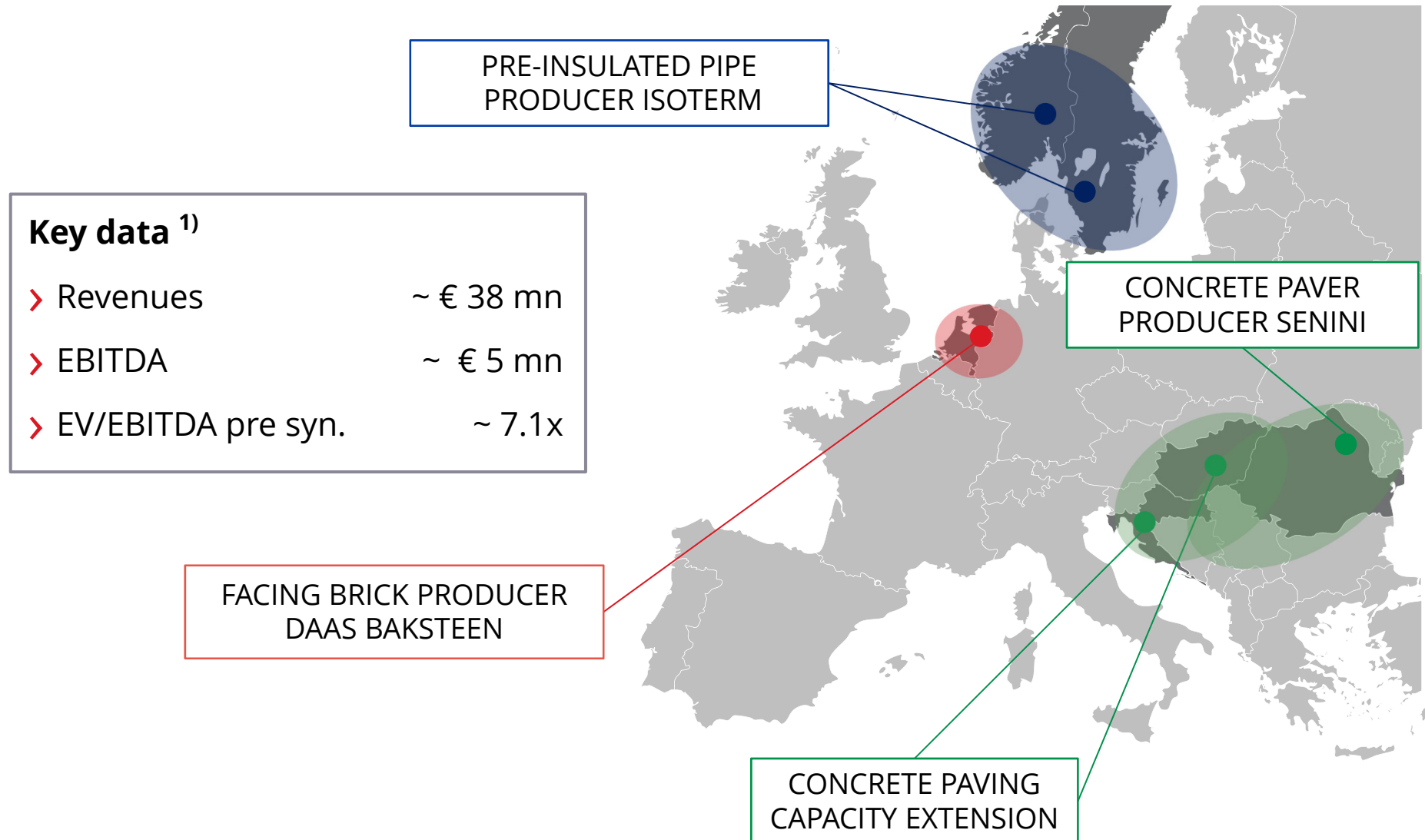
**Vision of expanding
our portfolio of businesses
into new building materials**



Growth projects

Bolt-on M&A and organic growth projects 2018

wienerberger



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

Bolt-on M&A 2018

Dutch facing brick producer “Daas Baksteen”

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- › Producer of attractive product portfolio of high-end facade solutions and clay pavers with strong brand and innovation culture
- › Two production sites near German border
- › Revenues 2017: € 24 mn

Strategic rationale

- › Strengthening of leading position in one of the largest European facing brick markets
- › Growth step in high-end market segment
- › Addressing Dutch building trends
 - › Growing preference for highly aesthetic premium products
 - › High demand for innovative easy-to-use solutions



Bolt-on M&A 2018

Specialist pipe producer “Isoterm”

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- › Specialized Norwegian producer of
 - › Frost-resistant water and drainage pipes with heating cables
 - › Pre-insulated pipes for water, sewage & industry applications
- › Areas of application: housing, infrastructure & industry
- › Added value
 - › Substantial cost savings due to installation above ground
 - › Security of supply for remote regions
- › Revenues 2017: € 12 mn

Strategic rationale

- › Establishment of a platform for future growth in insulated pipe applications



Bolt-on M&A 2018

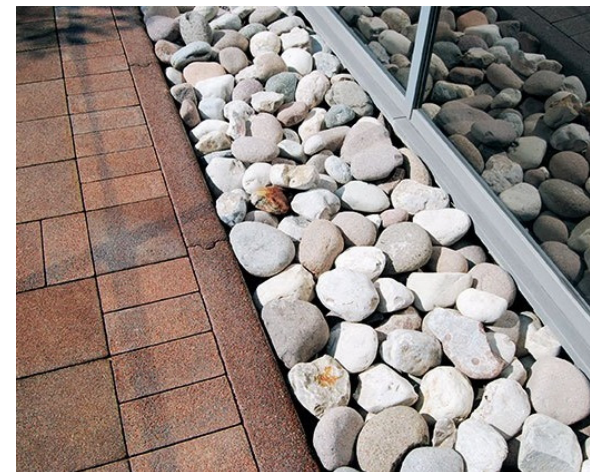
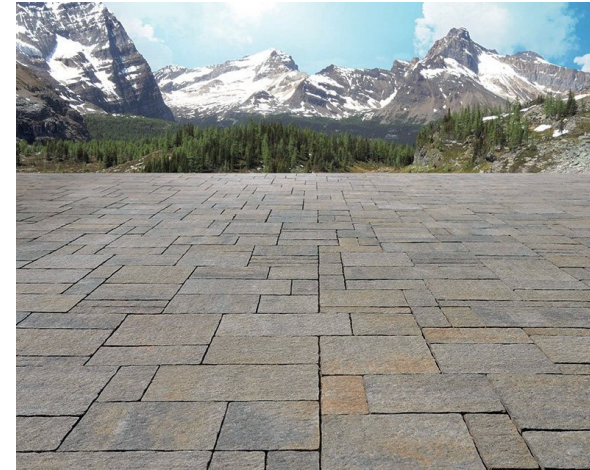
Romanian paving manufacturer “Senini”

wienerberger

- › Capacity extension in structurally attractive growth region in the North-West of Romania
- › Revenues 2017: € 2 mn

Strategic rational

- › Strong upside potential for utilization through integration into local production network
- › Market access to Southern Hungary and Northern Serbia through bolt-on to existing sales platforms
- › Well invested production facility requires low investments to upgrade the product portfolio



Organic growth project

Paving – modernization & capacity increase

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- › Hungary – new production line for high-quality slabs
 - › Substantial increase in production capacity
 - › Additional capacity fully operational as of Q2 19
- › Croatia – extending production capacities
 - › Investment to meet strong local demand and grow exports
 - › Debottlenecking resulted in significant capacity increase
 - › Growth project completed at the end of Q2 18
- › Hungary & Croatia: upgrade of product portfolio
 - › Installation of capacity for premium pavers



€ 12 mn total growth capex

M&A 2018

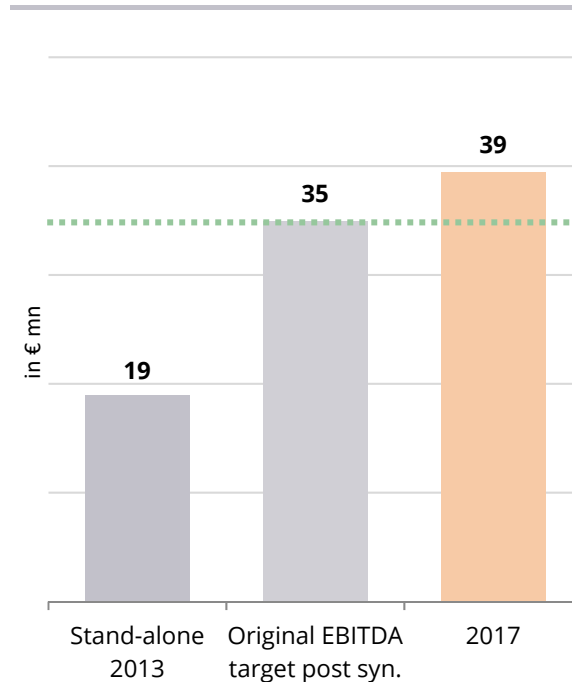
Buyout of minorities in roofing business

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- › In 2014 we increased the stake in our leading Eastern European clay roof tile business to 82%
- › In 2018 we acquired the minority stake for € 30 mn
- › Due to the strong performance since assuming control, an agreed cap was applied when determining the acquisition price

Minority buyout is accretive to the bottom-line and facilitates realization of additional synergies

EBITDA contribution



Portfolio optimization

Streamlining of our business portfolio

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- › Review of our portfolio and structured process for extracting value from identified assets ongoing
- › Profitable sale of Austrian concrete pavers business first major step
- › Total value generated in H1 2018: € 44 mn

Unlock value of
~ € 150 mn in 2018-2020



Portfolio optimization

Profitable sale of Austrian paver business

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- › Profitable sale of Austrian paver business successfully closed as of May 2, 2018:
 - › Enterprise value of approx. € 30 mn
 - › EBITDA 2017: € -3.6 mn

Strategic rationale

- › Austria is a mature market with overcapacity
- › Turning around this business would have required major restructuring and capex
- › Top management of our pavers business can now exclusively focus on the further development of business in Eastern European growth markets
- › Attractive valuation



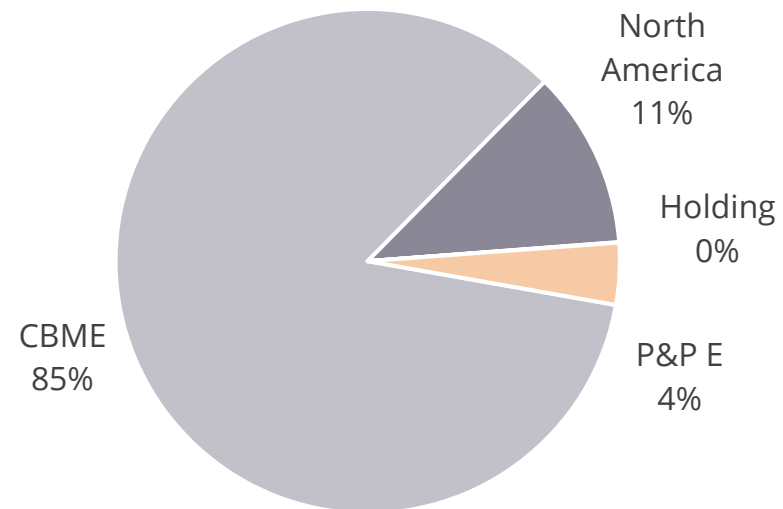
Portfolio optimization

Sale of non-operating assets

- › Continuation of the disposal of non-core assets in the course of an ongoing, structured sales process
- › Non-core assets as of 30/6/2018
 - › Carrying amount of ~ € 70 mn
 - › Market value of ~ € 110 mn
- › Contribution to earnings predominantly in CBM Europe

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Carrying amount per 30/6/2018



CBME...Clay Building Materials Europe | P&P E...Pipes & Pavers Europe

Growth projects and Portfolio optimization

Continuous development of our portfolio

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STRONG TRACK-RECORD
OF VALUE-CREATING M&A

ATTRACTIVE DEAL PIPELINE

RELEASE CAPITAL OF
€ 150 MN FOR
REINVESTMENT

**WE TARGET ADDING APPROX. € 20 MN PER
YEAR TO GROUP EBITDA IN 2019-2020**



© Helene Høyer Mikkelsen

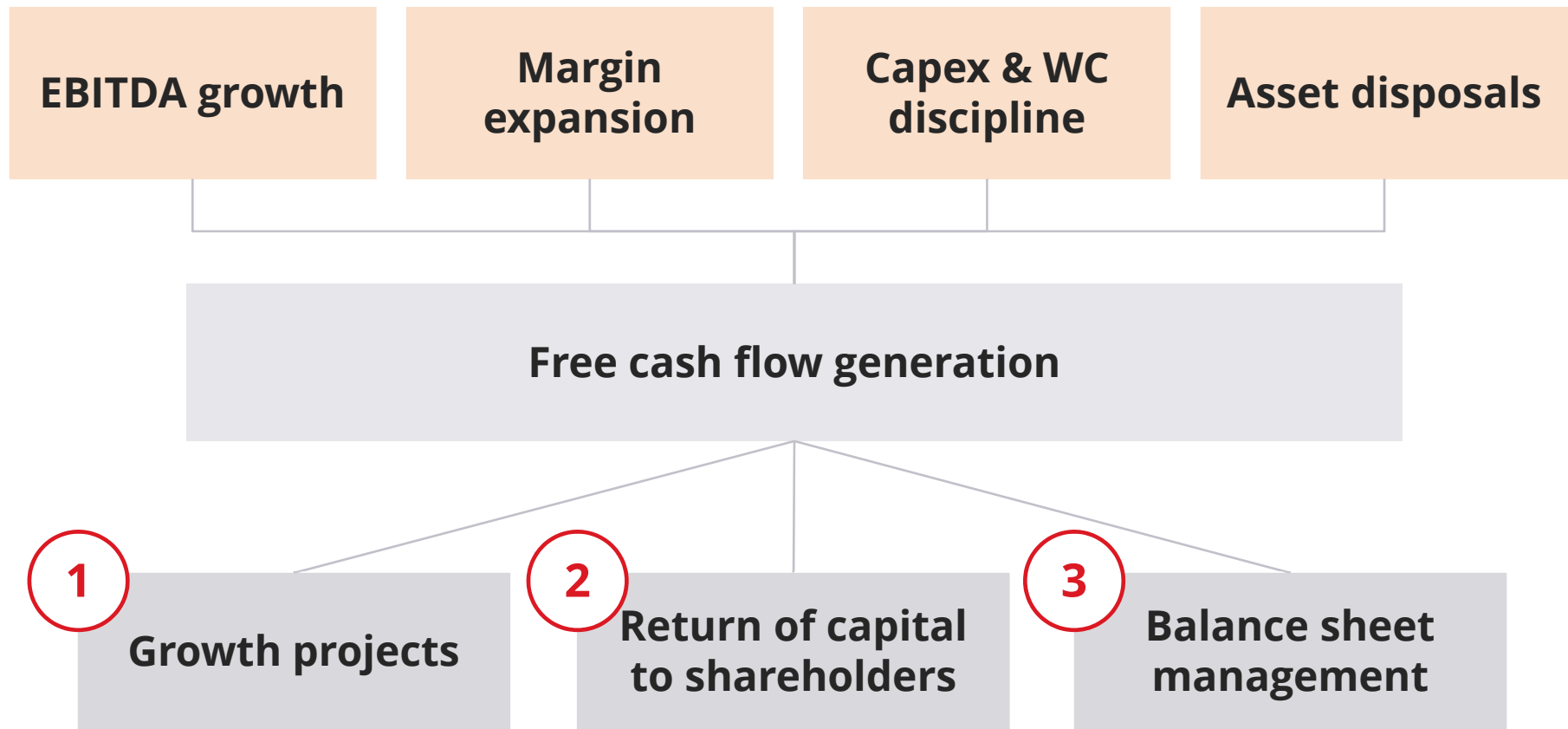
FINANCIAL DISCIPLINE

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Financial discipline

Clear drivers and allocation priorities

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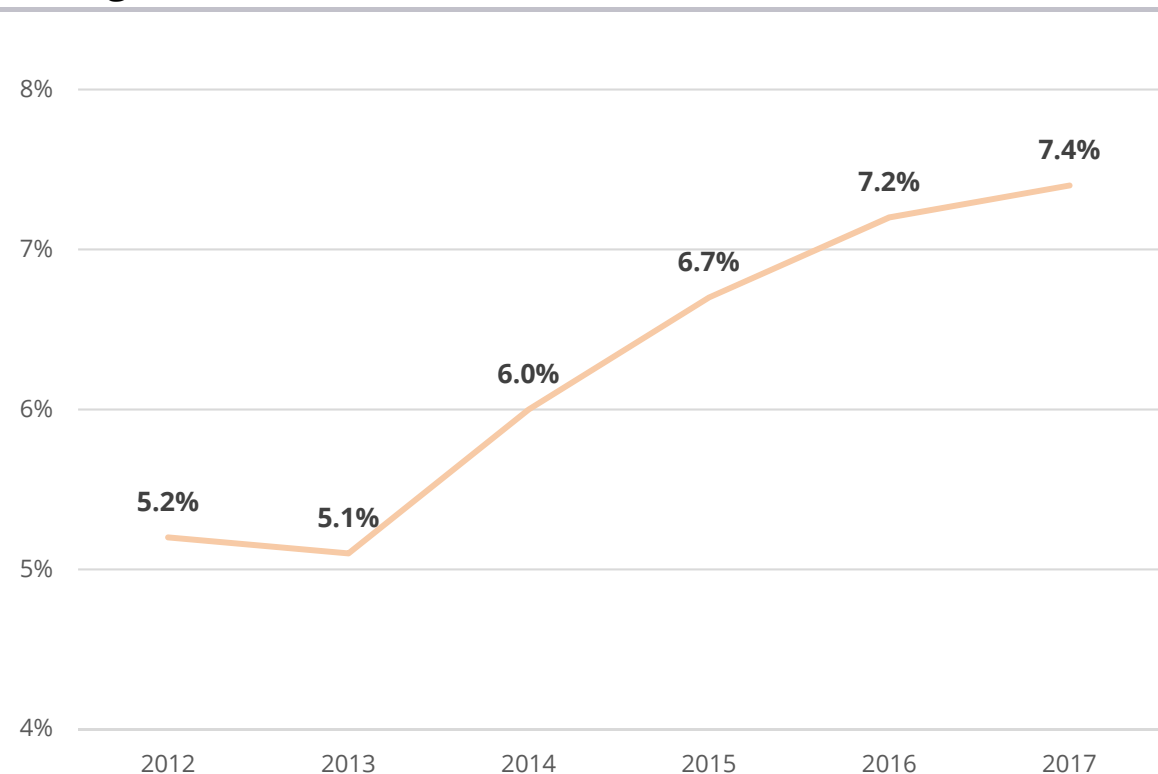
1 Financial discipline Growth projects

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- › Growth projects represent both organic investments in capacity expansion as well as M&A
- › Strict financial and non-financial criteria for transparent evaluation

Growth projects need to exceed the CFROI threshold of 11.5% in third year after investment

CFROI growth



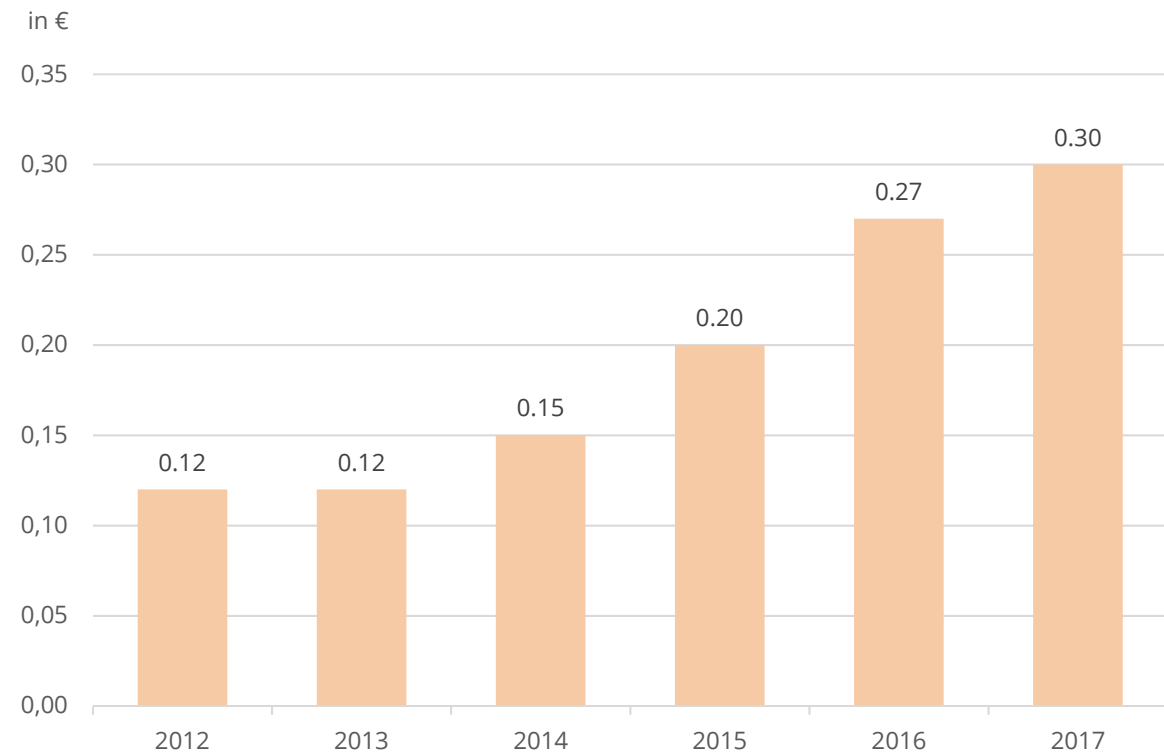
2 Financial discipline Return of capital to shareholders – Dividends

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- › Strong commitment to returning capital to shareholders
- › Clear dividend policy, linked to free cash flow
- › Between 10% and 30% of free cash flow after accounting for hybrid coupons are paid out to shareholders

Dividend per share
increased by 150%
since 2012

Strong increase of dividend per share



2 Financial discipline

Return of capital to shareholders – Buybacks

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- › We successfully completed our share buyback program in September 2018
- › We returned € 25.9 mn of capital to our shareholders
- › We retain treasury shares on our balance sheet for future use as transaction currency or for an employee participation program



We continuously monitor attractive opportunities to buyback shares and to complement our core dividend

Key data

Buyback 2018	shares	1,200,000
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Avg. price Buyback 2018	€	21.6
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Total treasury shares	shares	1,770,289
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Total book value	€ mn	30.8
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Book value per share	€	17.4
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3 Financial discipline

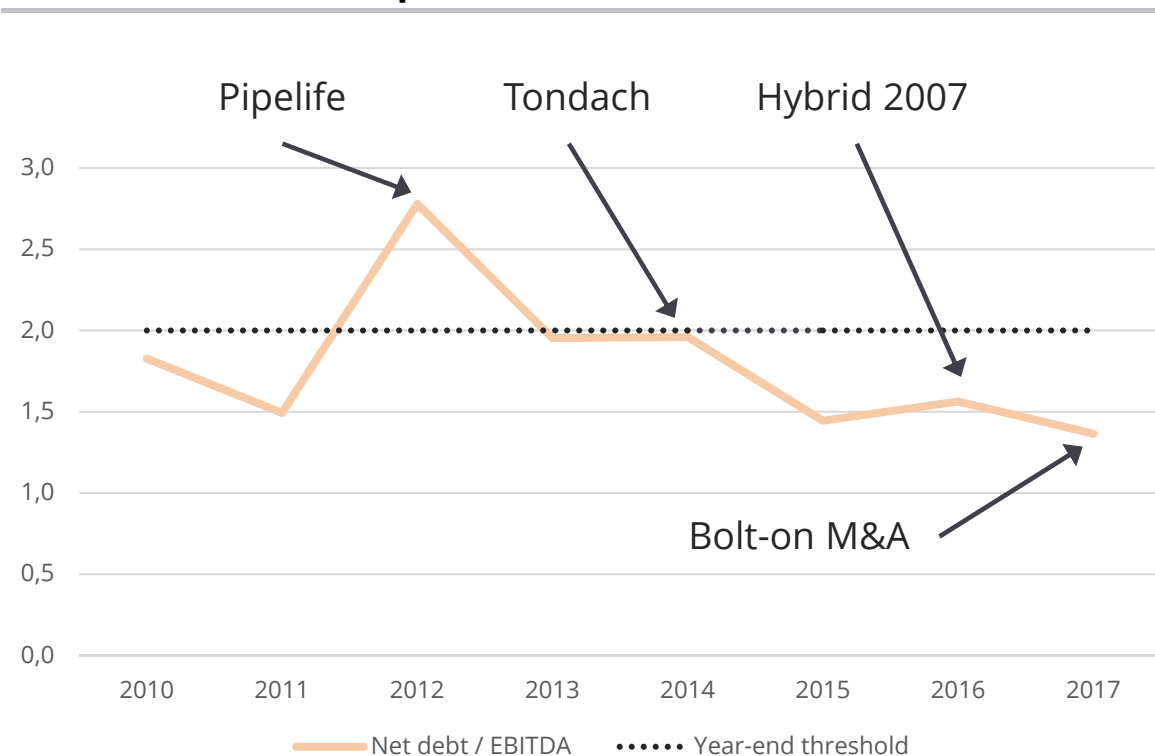
Balance sheet management

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- > We have a strong track record of balance sheet management while executing growth projects
- > We ended 2017 at 1.4x, which clearly indicates that we have financial headroom to execute growth projects
- > We would consider increasing the self-imposed threshold to 2.5x for highly value-creating M&A

We target keeping net debt / EBITDA below 2.0x at year-end

Net Debt / EBITDA improvement



3 Balance sheet management

Financing strategy

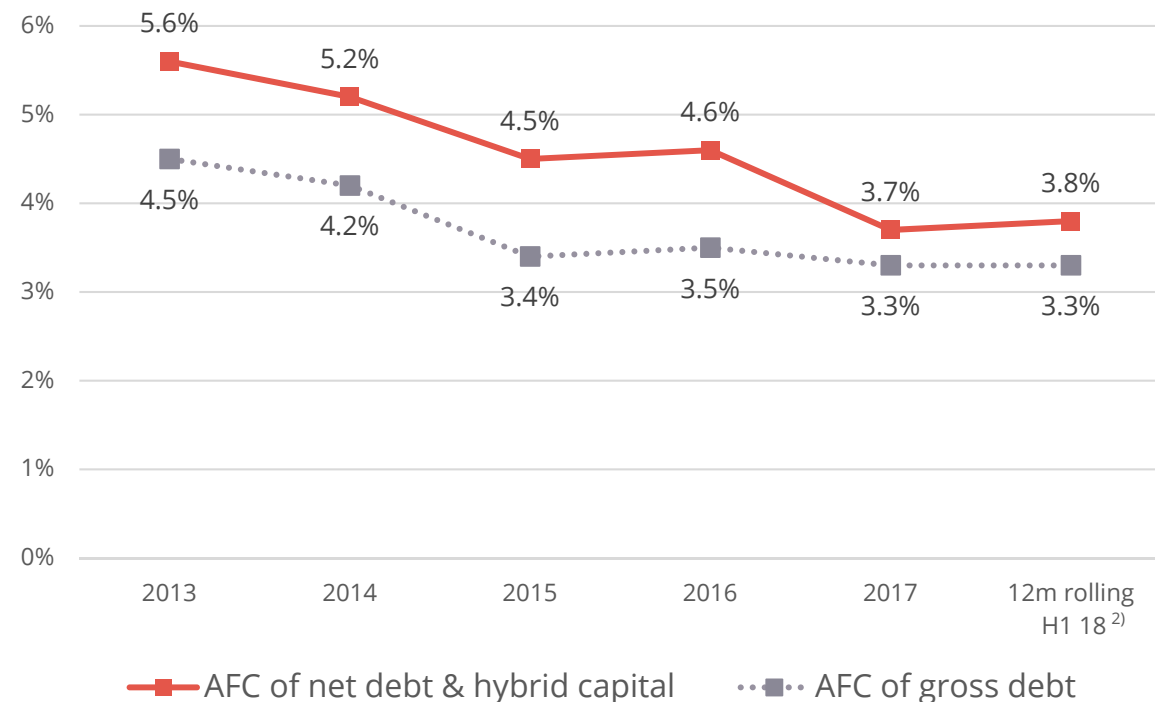
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› Our financing strategy is based on clear goals:

- › Maintaining an adequate liquidity position
- › Strong capital structure
- › Unrestricted access to capital and credit markets
- › Balanced maturity profile
- › Diversified use of financial instruments

We have optimized our financing structure and funding costs and created financial headroom for growth projects

Development of average funding costs ¹⁾



1) Weighted by net debt (and hybrid capital) on a monthly basis

2) Relevant period: 30/6/2017 – 30/6/2018

3 Balance sheet management

Rating upgrade and highly successful bond issue wienerberger

- › Moody's upgraded the corporate family rating:
 - › New Ba1 (stable)
 - › Before Ba2 (positive)
- › Ratings for senior debt (Ba1) and hybrid bond (Ba3) remained unchanged
- › Bond issue nearly three times oversubscribed
- › Terms
 - › Volume € 250 mn
 - › Tenor 6 years
 - › Coupon 2.00%, payable annually in arrears
 - › Status Senior unsecured
- › Use of proceeds
 - › Refinancing of existing liabilities
 - › General corporate purposes

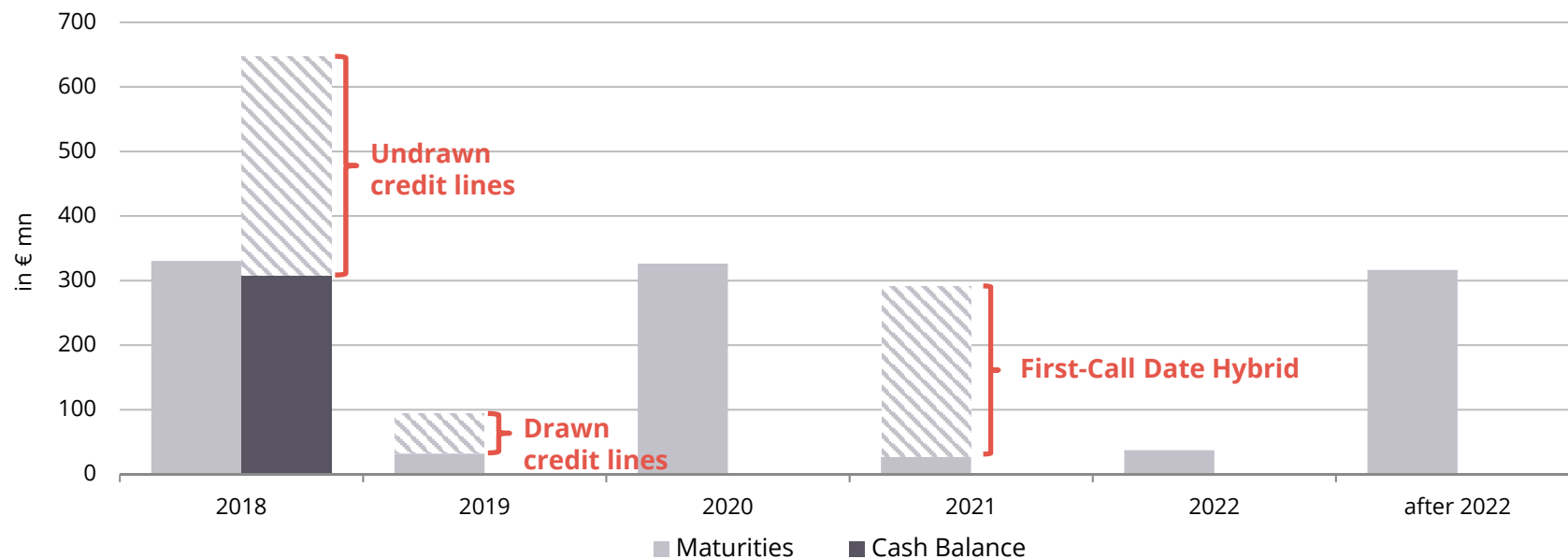


3 Balance sheet management

Balanced maturity profile

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- > Cash 30/6/2018: € 309 mn
- > Credit lines: € 400 mn
 - > Thereof drawn 30/6/2018: € 67 mn
- > Term structure:



Note: Term structure of gross debt, cash position and financial liabilities as of 30/6/2018

3 Balance sheet management

Impact of IFRS 16: Preliminary calculation

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- > What is changing?
 - > All rental and leasing contracts are shown on-balance sheet
 - > Same reporting for operating and financing leasing
- > Implementation from 1/1/2019
- > Extension of the balance sheet
 - > Recognition of "Right of Use Asset" and "Lease Liability"
- > Effects on income statement
 - > ↑ **EBITDA**: no rental / leasing expenses
 - > ↑ **EBIT**: Rental / lease cost is broken down into depreciation of "Right of Use Asset" and interest on the "Lease Liability"
 - > ↓ **Interest result**: interest on "Lease Liability"

Effects of implementation ¹⁾

Income Statement	in € mn
EBITDA	+43
Depreciation	-40
EBIT	+3
Interest result	-4

Balance sheet	
Right of Use Asset / Lease Liability	+204

1) Preliminary calculation as of September 2018

**Increase in Group EBITDA
adds to 2020 target**

Financial discipline

Strong financial framework

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GROWTH PROJECTS

RETURN OF CAPITAL TO
SHAREHOLDERS

BALANCE SHEET
MANAGEMENT



**STRONG FINANCIAL DISCIPLINE IS THE
FRAMEWORK FOR OUR STRATEGIC DEVELOPMENT**



EXECUTIVE SUMMARY

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CONSISTENT EXECUTION OF OUR GROWTH STRATEGY

HIGH CONFIDENCE IN ACHIEVING OUR 2018 GOALS

CLEAR PATH TO GROWING GROUP EBITDA TO ~ € 680 MN IN 2020



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OPERATIONAL EXCELLENCE

IMPROVEMENT INITIATIVES BUNDLED IN FAST FORWARD 2020 PROGRAM

DEDICATED IMPLEMENTATION TEAM

**FULLY COMMITTED TO IMPROVEMENT
POTENTIAL OF € 120 MN FOR 2018-2020**

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A close-up photograph of a construction worker's hands applying grey mortar to a brick wall. The worker is wearing a dark blue t-shirt. The background shows a blurred construction site with stacks of bricks and a clear blue sky.

ORGANIC GROWTH

VOLUME GROWTH SUPPORTED BY SOUND MARKETS

INNOVATION, MARKET PROXIMITY AND DIGITALIZATION

**ORGANIC EBITDA IMPROVEMENT OF ~ € 15 MN
PER YEAR EXPECTED IN 2019-2020**

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GROWTH PROJECTS & PORTFOLIO OPTIMIZATION

ACCELERATION OF M&A ACTIVITY

HIGHLY ATTRACTIVE DEAL PIPELINE

**EXPECT TO ACQUIRE AN EBITDA CONTRIBUTION
OF ~ € 20 MN PER YEAR IN 2019-2020**

wienerberger

wienerberger geared for growth

wienerberger



Q & A

A hand-drawn illustration of a lightbulb with a smiling face, growing on a stem with two green leaves, positioned above the ampersand in the 'Q & A' text.

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