

## Capital Allocation

**Strong and consistent cash generation creates significant capacity for capital returns to shareholders and discretionary investment projects**

### STRONG FREE CASH FLOW SUPPORTS CAPITAL ALLOCATION OBJECTIVES

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Clear commitment to **transparent capital allocation policy**,  
focused on **return of capital to shareholders, strengthening of balance sheet, and growth**

## Capital Allocation

**Distribution of 20% to 40% of free cash flow to shareholders, whilst maintaining a strong balance sheet and headroom for growth projects**

### TRANSPARENT CAPITAL ALLOCATION POLICY

#### Return of Capital to Shareholders



- > Strong commitment to distribution of capital
  - Dividend per share increased by c.320% since 2012 reflecting strong growth and profitability improvement in operating business
- > Distribution policy: **distribution of 20 to 40% of free cash flow** by means of **progressive annual dividend whilst maintaining a prudent payout ratio and share buybacks**

#### Balance Sheet Management



- > Commitment to maintaining **Net Debt / EBITDA  $\leq$  2.5x at year-end<sup>(1)</sup>**
- > **Balanced and diversified funding**
- > **Continuous optimisation of financing costs**
  - Clear intention to exercise first call option for hybrid

#### Growth Projects



- > **Disciplined M&A strategy** underpinned by a **strong M&A track-record** and **available financial headroom**
  - Steady pipeline of bolt-on acquisitions with <€50m EV
  - Evaluation of attractive opportunities beyond bolt-ons (portfolio expansion beyond existing core businesses and growth of Wienerberger share in the building envelope)

### SUSTAINABLE VALUE CREATION FOR SHAREHOLDERS