

2020 | REPORT ON THE FIRST THREE QUARTERS

# WOW

wienerberger



Earnings Data		1-9/2020	1-9/2019	Chg. in %	Year-end 2019
Revenues	in MEUR	2,546.8	2,655.9	-4	3,466.3
EBITDA LFL <sup>1)</sup>	in MEUR	431.7	462.6	-7	-
EBITDA	in MEUR	433.2	466.4	-7	610.0
Operating EBIT	in MEUR	245.3	292.0	-16	362.7
Impairment charges to assets	in MEUR	-22.5	0.0	<-100	0.0
Impairment charges to goodwill	in MEUR	-91.6	0.0	<-100	0.0
EBIT	in MEUR	131.2	292.0	-55	362.7
Profit before tax	in MEUR	99.3	264.5	-62	315.3
Net result	in MEUR	43.3	205.7	-79	249.1
Earnings per share	in EUR	0.38	1.80	-79	2.18
Free cash flow <sup>2)</sup>	in MEUR	138.2	86.2	+60	286.0
Maintenance capex	in MEUR	67.4	93.4	-28	140.1
Special capex	in MEUR	32.2	39.4	-18	115.4
Ø Employees	in FTE	16,511	17,151	-4	17,234

Balance Sheet Data		30/9/2020	31/12/2019	Chg. in %
Equity <sup>3)</sup>	in MEUR	1,926.4	2,076.8	-7
Net debt	in MEUR	688.8	871.4	-21
Capital employed	in MEUR	2,577.5	2,912.2	-11
Total assets	in MEUR	4,412.5	4,132.6	+7
Gearing	in %	35.8	42.0	-

Stock Exchange Data		1-9/2020	1-12/2019	Chg. in %
Share price high	in EUR	28.26	26.82	+5
Share price low	in EUR	11.59	18.10	-36
Share price at end of period	in EUR	22.54	26.42	-15
Shares outstanding (weighted) <sup>4)</sup>	in 1,000	112,819	114,320	-1
Market capitalization at end of period	in MEUR	2,596.3	3,074.0	-16

Operating Segments 1-9/2020 in MEUR and % <sup>5)</sup>	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	1,581.7 (-4%)	718.8 (-4%)	242.8 (-6%)		2,543.3 (-4%)
Inter-company revenues	3.5 (>100%)	0.2 (>100%)	0.0 (-100%)	-0.1	3.5 (>100%)
Revenues	1,585.2 (-4%)	719.0 (-4%)	242.8 (-6%)	-0.1	2,546.8 (-4%)
EBITDA LFL <sup>1)</sup>	312.4 (-11%)	86.3 (+6%)	33.0 (+3%)		431.7 (-7%)
EBITDA	315.4 (-11%)	83.8 (+7%)	33.9 (-5%)		433.2 (-7%)
Operating EBIT	189.9 (-21%)	43.1 (+7%)	12.3 (-2%)		245.3 (-16%)
Capital employed	1,730.3 (-8%)	556.7 (-2%)	290.6 (-34%)		2,577.5 (-11%)
Total capex	69.0 (-26%)	24.3 (-13%)	6.3 (-45%)		99.5 (-25%)
Ø Employees (in FTE)	11,864 (-4%)	3,311 (0%)	1,336 (-9%)		16,511 (-4%)

1) Adjusted for effects from consolidation, FX, sale of core and non-core assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus special capex and net payments made for the acquisition of companies // 3) Equity including non-controlling interests and hybrid capital // 4) Adjusted for treasury stock // 5) Changes in % to the comparable prior year period are shown in brackets

Explanatory notes to the report: Rounding differences may arise from the automatic processing of data.

*Report on the First Three Quarters of 2020*

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# Chief Executive's Review



## *Dear Shareholders,*

the business year 2020 is being impacted by the Covid-19 pandemic. The global economy has been under constant stress as a result. At Wienerberger, we reacted swiftly to the new and challenging situation, implementing a comprehensive package of measures that, so far, have enabled us to master the crisis very well. I would like to thank all our employees, whose outstanding efforts and commitment in this difficult environment will enable us to emerge from this crisis even stronger.

Together, we have repositioned Wienerberger over the past ten years. Today, we are a leading provider of innovative system solutions, offering a broad product portfolio in our diversified end markets. In the course of the Covid-19 crisis, we have demonstrated our economic resilience and gained in strength, which will enable us to actively shape the future of our industry.

This successful transformation is also reflected in our results for the first three quarters of 2020, which show how resilient Wienerberger has become. After the impacts of government-imposed lockdowns and temporary plant closures in the second quarter, our results improved significantly, not least due to catch-up effects seen during the summer months. At € 2,543.3 million, external revenues reached a highly satisfactory level only 4% below the record reported for the same period of 2019. EBITDA LFL declined by no more than 7% to € 431.7 million, which means that our profitability almost matches the previous year's record. These results clearly show that we are moving forward on the right track with efficiency enhancements, innovative solutions and a strong focus on sustainability.

After the strong summer months, we are now observing a recurrence of uncertainty in our markets. We still expect our end markets to decline by approx. 10% versus previous year's level. In the fourth quarter, we will persist in our strict working capital management and adjust our capacities, depending on market developments and weather conditions. Given our strong performance to date, we expect to close 2020 with an EBITDA LFL at the upper end of the € 480 to 500 million guidance.

In the medium term, we see great potential to benefit from the positive trends in our core markets. Both Europe and the USA urgently need investments in infrastructure, residential construction and renovation.

We are therefore consistently pursuing our strategy with focus on efficiency enhancements, innovations and digitalization as well as a clear commitment to sustainability. In doing so, we are advancing on our growth path and strengthening our pioneering role. Based on our 2020 results, we will generate an improvement in earnings in the amount of € 135 million from our own strength until 2023.

With our growth strategy, our diversified product portfolio and an innovative and digital business model, we are perfectly positioned to address future challenges and take advantage of positive market trends to create added value. We will also benefit from governmental stimulus programs, the positive effects of which should be noticeable, above all, from the second half of 2021 onward.

Yours  


# Interim Management Report

## Financial Review

### Earnings

Owing to the negative impact of the Covid-19 pandemic, revenues at Group level declined by 4% to € 2,546.8 million (2019: € 2,655.9 million) during the first nine months of the year. This development is due to lower sales volumes, especially in the second quarter. A reversal of the negative trend was noticeable in the third quarter, but demand stabilized at a level below that of the previous year. Despite this difficult environment, we succeeded in improving our product mix through the offer of premium solutions and continued to implement our proactive pricing policy aimed at covering cost inflation. Consolidation effects, especially from the Danish facing brick operations taken over last year and the business in roofing accessories managed from Great Britain, contributed € 41.7 million to Group revenues. Foreign exchange effects, primarily attributable to the depreciation of the Norwegian crown, the Hungarian forint, the Turkish lira and the Polish zloty, diminished revenues at Group level by € 37.8 million.

The Wienerberger Group's EBITDA LFL declined in the reporting period by 7% to € 431.7 million (2019: € 462.6 million). The negative impact on earnings in the second quarter, driven by the Covid-19 pandemic (e.g. idle costs due to temporary plant closures), was far less pronounced during the summer months. Moreover, positive effects from the continued implementation of efficiency-enhancing measures within the framework of the Fast Forward program reduced the cost burden by approx. € 24 million.

EBITDA LFL does not include income from the sale of real estate of € 13.0 million, a loss of € 4.5 million from the deconsolidation of our business activities in Switzerland, contributions from consolidation in the amount of € 5.8 million, negative foreign exchange effects of € 6.7 million, and structural adjustment costs of € 6.1 million.

EBITDA reported by the Wienerberger Group, which includes the aforementioned effects, dropped by 7% to € 433.2 million from € 466.4 million in the same period of the previous year, a development attributable to the impact of the Covid-19 pandemic. Earnings before interest and tax (operating EBIT) dropped by 16% to

€ 245.3 million (2019: € 292.0 million) as a result of operational developments.

The outbreak of the Covid-19 pandemic in our relevant markets constituted a triggering event which, according to IFRS rules, led to impairment tests of the Group's entire non-current assets already in the first quarter. In view of the changing market environment, the underlying assumptions regarding the future development of some of our markets had to be adjusted accordingly. Impairment testing based on various scenarios resulted in total impairment charges of € 114.1 million, which were booked in the first quarter of 2020. Of this total, an amount of € 91.6 million was accounted for by goodwill impairment in North America and € 22.5 million by impairments of property, plant and equipment in Russia and a number of European markets of the Group. As a result, earnings before interest and tax (EBIT) dropped significantly to € 131.2 million (2019: € 292.0 million).

The financial result declined by 16% to € -31.9 million (2019: € -27.6 million). Proactively improved refinancing terms resulted in a year-on-year reduction of net interest expenses to € -26.7 million (2019: € -29.1 million). Income from investments in associates and joint ventures came to € 3.8 million (2019: € 2.3 million). The other financial result in the amount of € -8.9 million was significantly below the previous year's value of € -0.7 million, which was primarily attributable to foreign exchange losses from the deconsolidation of our business activities in Switzerland.

On account of the effects described above, profit before tax dropped to € 99.3 million (2019: € 264.5 million). The tax expense of € 47.3 million was only slightly below the previous year's € 48.4 million, the current tax expense of € 40.5 million being below that of the previous year (€ 47.9 million) due to the lower profit before tax. At the same time, the deferred tax expense rose to € 6.8 million (2019: € 0.5 million) as a result of lower tax losses carried forward. At € 43.3 million, the net profit was also notably lower than in the same period of the previous year (2019: € 205.7 million), resulting in earnings per share of € 0.38 (2019: € 1.80).

## **Cash Flow**

Gross cash flow declined to € 333.1 million in the first nine months of the year (2019: € 367.5 million), which was primarily due to the negative impact of the Covid-19 outbreak. In contrast, cash flow from operating activities improved significantly as a result of proactive working capital management from € 199.5 million in the previous year to € 267.8 million in the reporting period.

During the first nine months of the year, a total amount of € 99.5 million (2019: € 132.9 million) was spent on investments, € 67.4 million of which was accounted for by maintenance capex (2019: € 93.4 million). Additionally, the Group invested € 32.2 million (2019: € 39.4 million) in the optimization of production processes, the development of new products and digitalization (special capex). Investments in non-current financial assets and acquisitions of companies amounted to € 2.0 million (2019: € 33.9 million). Proceeds from the sale of real estate and the realization of other non-current assets came to € 25.5 million (2019: € 9.0 million). Moreover, dividends paid out by joint ventures resulted in a cash inflow of € 2.5 million. An amount of € 88.2 million was invested in securities, which mainly served as short-term investments of liquidity.

Cash flow from financing activities amounted to € 320.6 million in the reporting period (2019: € -67.4 million). Net cash inflows from long-term financial liabilities amounted to € 710.3 million, reflecting a corporate bond issue of € 400 million and various bank loans taken out in the first half of the year for current refinancing and liquidity preservation during the Covid-19 crisis. Redemptions of short-term financial liabilities diminished the cash flow from financing activities by a total of € 290.9 million, most of it accounted for by the redemption of a bond in April 2020. Cash outflows for hybrid capital comprised € 32.3 million (2019: € 15.7 million) for the pro-rata buyback of hybrid bonds and the hybrid coupon of € 12.5 million (2019: € 13.9 million), the latter amount also including accrued interest for the parts of the hybrid bond bought back. Cash outflow for share buyback transactions in the reporting period come to € 19.7 million (2019: € 12.2 million).

Compared to the 2019 year-end value, the Group's total liquidity increased significantly by € 455.6 million to € 584.3 million.

## **Assets and Financial Position**

As at 30/9/2020, the Group reported a reduction in equity by € 150.4 million. Comprehensive income after tax resulted in a reduction in equity by € 18.2 million. Besides the after-tax result, the amount also includes negative differences from currency translation in the amount of € 101.4 million and actuarial losses in connection with pension claims of € 10.2 million, booked against positive valuation effects of hedging instruments in the amount of € 41.5 million. Payout of the hybrid coupon in the amount of € 12.5 million and the buyback of own shares and parts of the hybrid bond for a total amount of € 52.0 million, plus the dividend liability of € 67.4 million recognized after the respective resolution by the Annual General Meeting May 5, 2020, also resulted in a reduction in the Group's equity. 1,163,514 own shares bought back were cancelled as at 18/2/2020. Within equity, € 24.1 million were therefore reclassified from own shares to subscribed capital, capital reserves and retained earnings.

The reduction in Net debt to € 688.8 million (€ 871.4 million as of December 31, 2019) is largely due to a strong cash flow from operating activities, where proactive working capital management made a significant contribution. Compared to previous year, net debt could be reduced by 22% (€ 881.2 million as 30.09.2019), due to both restrictive investment decisions and the postponement of the dividend payment to October 30, 2020.

# 3rd Quarter of 2020

In the third quarter of 2020, Wienerberger generated strong results that almost matched those of the record third quarter of 2019.

- › External revenues of € 903.6 million (2019: € 919.4 million)
- › EBITDA LFL € 176.6 million (2019: € 172.5 million)
- › Strong operating performance across all Business Units

## Wienerberger Building Solutions

During the summer months, the Wienerberger Building Solutions Business Unit benefited from the continuation of pre-Covid-19 projects in Western Europe, recording growing demand for our innovative solutions for the building envelope. In most of our Western European markets, activities stabilized at a level slightly below that of the previous year. In these core markets, in particular, demand for solutions in renovation was stronger than in new residential construction.

In Eastern Europe, where governments adopted comparatively less stringent strategies in the fight against the pandemic, most of our production sites remained in operation throughout the year. Nevertheless, Covid-19 resulted in a slowdown of activities and a decline in demand to slightly below the previous year's level. In a few countries of South-Eastern Europe, demand remained strong during the summer months, partly driven by forthcoming elections.

Our strict focus on cost management, in combination with new digital solutions as well as continuing optimization measures, contributed substantially to the Business Unit's performance. Moreover, prices that were increased at the beginning of the year to cover cost inflation are holding up.

Overall, with third-quarter external revenues of € 567.3 million (2019: € 577.3 million), the Wienerberger Building Solutions Business Unit reported strong EBITDA LFL in the amount of € 128.5 million (2019: € 129.8 million).

## Wienerberger Piping Solutions

In the third quarter, business performance within the Wienerberger Piping Solutions Business Unit was characterized, above all, by improved demand caused by catch-up effects in some markets. Although raw material prices again trended upward in the third quarter, our proactive margin management led to profitability gains compared to the previous year.

Developments in Norway were marked by very satisfactory international project business, whereas demand in the other Northern European markets remained slightly below the high level of the previous year. In Ireland and Great Britain, two markets hit particularly hard by government-imposed lockdown measures, demand recovered in the course of the third quarter. Earnings in the Netherlands suffered from a downturn in demand for energy solutions in the international project business, which was partly offset by stronger performance in the electro segment. The take-up of EU funding, above all, in Bulgaria, Romania and Greece, had a positive impact on business performance. Hungary and the Czech Republic recorded some volatility in demand during the third quarter.

Overall, the Wienerberger Piping Solutions Business Unit performed very well in the third quarter. With external revenues almost stable at € 248.4 million (2019: € 249.5 million), EBITDA LFL increased by 5% to € 31.4 million (2019: € 30.0 million), resulting in a further improvement of profitability compared to the same period of the previous year.



## North America

In the North America Business Unit, the summer months were marked by a positive business activity. Above all, our core markets in the USA saw a steep increase in demand in the single-family-home segment. In Canada, demand recovered after the lockdown and we were able to deliver a strong performance, thanks to our pricing policy combined with positive changes in our product mix.

In our North American plastic pipe business, we successfully continued our optimization measures in

production and sales. With our intensified focus on more profitable projects and thanks to momentum gained from declining raw material prices in the third quarter, our infrastructure business delivered significantly higher earnings than in the previous year.

Third-quarter external revenues declined moderately by 5% to € 87.9 million (2019: € 92.6 million). A package of strict measures focusing on the optimization of costs and working capital led to a significant enhancement of operational efficiency, which in turn was reflected in EBITDA LFL of € 16.7 million (2019: € 12.7 million).

<b>External revenues</b> <i>in MEUR</i>	<b>7-9/2020</b>	<b>7-9/2019</b>	<b>Chg. in %</b>
Wienerberger Building Solutions	<b>567.3</b>	577.3	-2
Wienerberger Piping Solutions	<b>248.4</b>	249.5	0
North America	<b>87.9</b>	92.6	-5
<b>Wienerberger Group</b>	<b>903.6</b>	<b>919.4</b>	<b>-2</b>

<b>EBITDA</b> <i>in MEUR</i>	<b>7-9/2020</b>	<b>7-9/2019</b>	<b>Chg. in %</b>
Wienerberger Building Solutions	<b>124.4</b>	130.8	-5
Wienerberger Piping Solutions	<b>30.4</b>	27.2	+12
North America	<b>16.5</b>	12.7	+30
<b>Wienerberger Group</b>	<b>171.3</b>	<b>170.7</b>	<b>0</b>

# Operating Segments

## *Wienerberger Building Solutions*

Despite Covid-19, the Wienerberger Building Solutions Business Unit delivered a solid performance:

- › Slight decline in external revenues by 4% to € 1,581.7 million (2019: € 1,651.4 million)
- › Resilient EBITDA LFL of € 312.4 million (2019: € 349.5 million)
- › Second-quarter market dynamics severely dampened by government-imposed Covid-19 measures
- › Continuation of pre-Covid-19 projects and growing demand for infrastructure and renovation were driving earnings in the summer months

For the Wienerberger Building Solutions Business Unit, the year 2020 began well with a satisfactory level of demand. Starting in March, governments in Europe adopted various strategies to contain the Covid-19 pandemic. In some Western European countries we were forced to temporarily shut down our plants thus production could not be started up again before mid-May. During the summer months, benefiting from the continuation of pre-Covid-19 projects, we recorded growing demand for our innovative solutions for the building envelope. New digital solutions, further efficiency-enhancing measures within the framework of the Fast Forward program and strict cost management contributed substantially to the Business Unit's performance. Moreover, prices that were increased to cover cost inflation were holding up. Despite the profoundly negative impact of Covid-19, the Wienerberger Building Solutions Business Unit generated a resilient EBITDA LFL of € 312.4 million.

In most of our Western European markets, activities stabilized at a level slightly below that of the previous year. In the core markets of the region demand for renovation solutions was stronger than for new residential construction.

In Great Britain, we saw a continuation of the previous year's trend and observed a slight slowdown in residential construction even before Covid-19. The government-imposed shut-down of almost all construction sites in March temporarily resulted in a steep drop in demand. Activities were resumed in mid-June and we were able to start up our plants step by step. Among all our markets, Great Britain was hit hardest by the pandemic. Despite a swift market recovery in the third quarter, we were not able to make up for the losses suffered during the lockdown and therefore closed the period with a loss in earnings.

Belgium had a very good start to the business year 2020. However, government measures were extremely strict in this country, providing for a temporary reduction of construction site activities. In this environment, we recorded growing demand for our roof solutions, which enabled us to generate earnings growth. In the Netherlands, even before the outbreak of the pandemic, we expected a slight downturn in new residential construction in the wake of more stringent emission legislation and the resulting reduction in the number of building permits granted. However, as renovation activities picked up during and after the lockdown, demand for roof products as well as for pavers for infrastructure solutions increased. Irrespective of the Covid-19 effects, this change in the product mix resulted in solid earnings.

After Great Britain, France was the country hit hardest by the pandemic. Government-imposed measures forced us to temporarily shut down our plants. Despite strong demand in the third quarter, driven by the backlog accumulated in the second quarter, we closed the reporting period with drops in revenues and earnings in the highly competitive French market.

By comparison, our activities in Germany and the Nordic façade markets were less severely affected by government restrictions, which meant that we were able to continue most of our operations without interruption, supported by our digital supply chain. The Danish facing brick producer taken over last year delivered a strong contribution to earnings, enabling us to significantly improve our market position. Business in Germany continued at a satisfactory level. The optimization measures in the course of the German turnaround enabled us to make further operational improvements.

We continuously analyze our group-wide portfolio for its profitability and strategic orientation. As our business activities in Switzerland no longer met our strict

criteria for future growth, we sold the entire Swiss brick business on September 4, 2020, at an attractive multiple to swisspor, a renowned building materials group.

As governments in Eastern Europe adopted less restrictive strategies in the fight against the pandemic, we were able to keep most of our production sites in operation during the reporting period.

In Austria, the lockdown was relatively short. Thanks to strong demand due to catch-up effects in combination with the consistent implementation of our premium strategy, we delivered a significant increase in earnings.

Our biggest Eastern European core markets, i.e. the Czech Republic and Poland, reacted differently to the prevailing conditions of uncertainty. In Poland, despite a slight upturn of demand for wall solutions in the third quarter, the reporting period was marked by shrinking sales volumes. To a certain extent, this was compensated for by growing demand for roof solutions. In the Czech Republic,

demand in the wall and roof segments remained stable at a satisfactory level throughout the first nine months of the year. In Hungary, the downturn of demand continued as expected, due to the expiry of the reduced value added tax rate for building materials and the uncertainty caused by Covid-19. In the other markets of South-Eastern Europe, especially in Romania, we continued to benefit from a satisfactory level of demand, which was partly driven by forthcoming elections.

Within our Eastern European concrete paver activities, we consistently pursued our strategy focused on premium products. However, given the difficult environment, we had to accept a slight loss of earnings.

External revenues declined slightly by 4% to € 1,581.7 million in the first nine months of the year. EBITDA dropped by 11% to € 315.4 million, while EBITDA LFL decreased to € 312.4 million (2019: € 349.5 million).

Wienerberger Building Solutions		1-9/2020	1-9/2019	Chg. in %
External revenues	<i>in MEUR</i>	<b>1,581.7</b>	1,651.4	-4
EBITDA LFL <sup>1)</sup>	<i>in MEUR</i>	<b>312.4</b>	349.5	-11
EBITDA	<i>in MEUR</i>	<b>315.4</b>	352.5	-11
Operating EBIT	<i>in MEUR</i>	<b>189.9</b>	239.3	-21
Capital employed	<i>in MEUR</i>	<b>1,730.3</b>	1,889.1	-8
Total investments	<i>in MEUR</i>	<b>69.0</b>	93.6	-26
Ø Employees	<i>in FTE</i>	<b>11,864</b>	12,360	-4

1) Adjusted for the effects of changes in the scope of consolidation, foreign exchange effects, disposals of non-core and core assets and structural adjustments.

### Outlook for 2020:

Throughout the third quarter, our Western European core markets continued to benefit from the resumption of construction projects put on hold during the first half of the year. Given the extremely uncertain market environment, reliable long-term forecasts are not possible for the time being. For the remaining three months of the year,

we expect to see a further weakening of demand, especially in new residential construction.

Given future economic stimulus packages, we do, however, expect to see a positive medium-term trend for Wienerberger Building Solutions. We are very well positioned to take advantage of the anticipated support measures, especially in the renovation and infrastructure segments.

### **Wienerberger Piping Solutions**

Despite the impact of Covid-19, the Wienerberger Piping Solutions Business Unit succeeded in improving its profitability during the first nine months of the year:

- Moderate 4% decline in external revenues to € 718.8 million (2019: € 746.5 million)
- Proactive margin management and strict cost discipline led to an EBITDA LFL increase to € 86.3 million (2019: € 81.1 million)
- Demand for infrastructure projects resulted in largely stable performance
- In in-house solutions, the electro segment recorded a strong upward trend

During the first nine months of 2020, our plastic pipe business delivered satisfactory results. After a very strong performance in the first quarter thanks to favorable weather conditions, we were slowed down on our record growth path in mid-March by the outbreak of the Covid-19 pandemic. The Western European countries were hit particularly hard by the lockdown measures imposed by governments from mid-March onward. However, as restrictions were gradually eased, we began to ramp up our plants step by step in mid-May and recorded a strong business activity in June, driven primarily by catch-up effects. Demand picked up during the summer months and slightly shrinking sales volumes were offset by efficiency-enhancing measures and strict cost discipline. Notwithstanding the difficult environment, especially in the first half of the year, consistent implementation of our value-creating strategy led to gains in profitability and an improved operating result in the Wienerberger Piping Solutions Business Unit.

This result is attributable, among other factors, to infrastructure projects, which remained in operation without major disturbances during the first nine months of the year, despite the outbreak of Covid-19. Raw material prices, which had reached their lowest level in the second quarter, gradually increased in the third quarter, a trend which we were able to compensate through proactive margin management. Business in irrigation systems for agriculture developed very well, especially in the third quarter. The electro segment of our in-house business continued to deliver satisfactory results.

Overall, demand was highly satisfactory during the summer months, albeit with regional differences.

Business in the Northern European markets continued on its successful course. Results in Norway improved due to a good performance of the international project business over the summer months. In the other Nordic countries, i.e. Finland and Sweden, demand for infrastructure projects remained high. Efficiency-enhancing measures, combined with investments in automation, also contributed to the positive results reported in these markets.

While the strict measures imposed by Western European governments to contain the spread of Covid-19 severely affected our business in the second quarter, most of our sites remained in operation during the summer. Demand in Great Britain and Ireland, the markets hit hardest by the government-imposed lockdowns, returned to the previous year's level. The results reported in the Netherlands reflect the declining demand for energy solutions in the international project business, which was partly compensated for by a strong performance of the electro segment.

In Austria, where all construction sites and building material outlets were closed down for a short period in the second quarter, demand picked up quickly during the following months and we recorded strong results throughout the summer.

Our business in the remaining Eastern European markets continued to deliver positive results, which was primarily attributable to the continuation of infrastructure projects without major disturbances. Among other factors, business development was positively influenced by the take-up of EU funding, especially in Bulgaria, Romania and Greece, which led to growth in earnings. While demand in the Hungarian market was slightly losing



momentum, we succeeded in further strengthening our market position in the Czech Republic.

Our ceramic pipe business was negatively impacted by the government-imposed lockdown measures. As soon as the Covid-19 restrictions were eased, we observed a catch-up effect, especially in Western European markets, i.e. Italy, France and Belgium, which had been hit hardest by government measures in the second quarter. Having successfully increased our prices to cover cost inflation, we recorded revenue growth in the third quarter.

Overall, the Wienerberger Piping Solutions Business Unit reported a moderate 4% decline in external revenues from € 746.5 million to € 718.8 million in the first nine months of 2020. Thanks to strict cost discipline and consistent implementation of our value-creating strategy, EBITDA increased noticeably to € 83.8 million (2019: € 78.3 million). EBITDA LFL showed a strong development during the first nine months of the year, coming to € 86.3 million (2019: € 81.1 million). Thanks to our proactive margin management, we generated a gain in profitability with an EBITDA LFL margin of 12.0% (2019: 10.9%).

Wienerberger Piping Solutions		1-9/2020	1-9/2019	Chg. in %
External revenues	<i>in MEUR</i>	<b>718.8</b>	746.5	-4
EBITDA LFL <sup>1)</sup>	<i>in MEUR</i>	<b>86.3</b>	81.1	+6
EBITDA	<i>in MEUR</i>	<b>83.8</b>	78.3	+7
Operating EBIT	<i>in MEUR</i>	<b>43.1</b>	40.2	+7
Capital employed	<i>in MEUR</i>	<b>556.7</b>	566.5	-2
Total investments	<i>in MEUR</i>	<b>24.3</b>	27.8	-13
Ø Employees	<i>in FTE</i>	<b>3,311</b>	3,324	0

1) Adjusted for the effects of changes in the scope of consolidation, foreign exchange effects and disposals of non-core assets

### Outlook for 2020:

In light of the Covid-19 pandemic, visibility of demand remains very low for the rest of the year. In particular, given the renewed increase in the number of positive Covid-19 cases, it is impossible to anticipate what measures governments will take. After the steep increase in demand during summer, mostly driven by catch-up effects, we expect to see a slowdown of demand in the

fourth quarter, as an atmosphere of uncertainty is building up again.

Moreover, we expect that the economic stimulus programs for the infrastructure sector announced by governments will be implemented at national level in the second half of 2021, the point in time from which on we expect to benefit from such programs.

## North America

In a difficult market environment, strict cost discipline and a consistent upgrade of the portfolio enabled the North America Business Unit to deliver satisfactory results:

- External revenues declined by 6% to € 242.8 million (2019: € 257.6 million)
- EBITDA LFL showed a strong development and improved by 3% from the previous year's level to € 33.0 million
- In the second quarter, the outbreak of the Covid-19 pandemic led to temporary plant closures in the north-east of the USA and in Canada
- Thanks to strict cost discipline and an improved product mix, the EBITDA LFL margin reached 13.6% (2019: 12.4%)

During the first three months of the year, the North America Business Unit suffered from unfavorable weather conditions and, starting in mid-March, was hit by the outbreak of the Covid-19 pandemic. From mid-March onward, government-imposed measures forced us to temporarily close down our plants in Ontario and Pennsylvania. In the south-eastern states of the USA construction activities were allowed to continue and most of our production sites remained in operation.

Following the gradual easing of restrictions from the end of April onward, we resumed our production activities at capacities adjusted to the new market levels. Demand in the USA began to improve already in May. In June, we saw a strong catch-up effect both in the USA and in Canada, with demand returning to the previous year's level.

Throughout the summer, we continued to see growth in the single-family-home segment in our most important US markets. Price increases to cover cost inflation, combined with strict cost discipline, and sustained profitability had a positive impact on earnings.

In Canada, demand recovered after the lockdown in the second quarter. Our pricing strategy aimed at covering

cost inflation and the positive impact of an improved product mix resulted in a strong summer performance.

In our North American infrastructure business we continued working on efficiency-enhancing measures in production and sales. After a weather-related weak start to the year 2020, demand recovered in the second quarter. Due to momentum gained from falling raw material prices and the consistent implementation of our strategy focused on profitability rather than volume growth, our earnings in the summer months were noticeably above those of the same period of the previous year.

Our measures introduced at the beginning of the pandemic showed the desired effects. Through strict cost discipline and a strong focus on cash management, we succeeded in keeping EBITDA at a satisfactory level despite declining revenues, with the Business Unit's profitability remaining constant. Overall, the North America Business Unit reported a decrease in external revenues to € 242.8 million (2019: € 257.6 million); EBITDA declined by a mere 5% to € 33.9 million (2019: € 35.6 million). EBITDA LFL came to € 33.0 million (2019: € 32.0 million). EBITDA LFL Margin improved to 13.6% (2019: 12.4%).

North America		1-9/2020	1-9/2019	Chg. in %
External revenues	<i>in MEUR</i>	<b>242.8</b>	257.6	-6
EBITDA LFL <sup>1)</sup>	<i>in MEUR</i>	<b>33.0</b>	32.0	+3
EBITDA	<i>in MEUR</i>	<b>33.9</b>	35.6	-5
Operating EBIT	<i>in MEUR</i>	<b>12.3</b>	12.6	-2
Capital employed	<i>in MEUR</i>	<b>290.6</b>	439.0	-34
Total investments	<i>in MEUR</i>	<b>6.3</b>	11.4	-45
Ø Employees	<i>in FTE</i>	<b>1,336</b>	1,467	-9

1) Adjusted for the effects of changes in the scope of consolidation, foreign exchange effects, disposals of non-core assets and structural adjustments.

### Outlook for 2020:

The outbreak of the Covid-19 pandemic and the results of the US presidential elections will shape the business year 2020 in the Business Unit North America. After the strong recovery of the US market during the summer, we expect to see a positive development of demand in the remaining months of the year. In Canada, we are also observing a positive fundamental trend, although developments in the fourth quarter will largely depend on the onset of winter.

In our infrastructure business, we anticipate satisfactory demand for the rest of the year. Moreover, we expect economic stimulus packages to be adopted after the presidential election, which will have a positive impact on this field of business.

## Consolidated Income Statement

in TEUR

	7-9/2020	7-9/2019	1-9/2020	1-9/2019
Revenues	905,291	919,561	2,546,826	2,655,940
Cost of goods sold	-568,444	-578,091	-1,648,400	-1,689,915
<b>Gross profit</b>	<b>336,847</b>	<b>341,470</b>	<b>898,426</b>	<b>966,025</b>
Selling expenses	-161,128	-168,447	-472,258	-494,706
Administrative expenses	-54,161	-56,819	-160,929	-168,855
Other operating income	7,836	5,798	27,628	22,734
Other operating expenses				
Impairment charges to assets	793	0	-22,518	0
Impairment charges to goodwill	1,822	0	-91,644	0
Other	-20,566	-11,483	-47,551	-33,153
<b>Operating profit/loss (EBIT)</b>	<b>111,443</b>	<b>110,519</b>	<b>131,154</b>	<b>292,045</b>
Income from investments in associates and joint ventures	2,163	1,602	3,778	2,293
Interest and similar income	343	213	1,395	1,701
Interest and similar expenses	-9,597	-10,263	-28,125	-30,821
Other financial result	-13,652	-4,304	-8,934	-733
<b>Financial result</b>	<b>-20,743</b>	<b>-12,752</b>	<b>-31,886</b>	<b>-27,560</b>
<b>Profit/loss before tax</b>	<b>90,700</b>	<b>97,767</b>	<b>99,268</b>	<b>264,485</b>
Income taxes	-15,128	-15,463	-47,278	-48,384
<b>Profit/loss after tax</b>	<b>75,572</b>	<b>82,304</b>	<b>51,990</b>	<b>216,101</b>
Thereof attributable to non-controlling interests	85	181	257	381
Thereof attributable to hybrid capital holders	2,719	3,316	8,410	9,973
<b>Thereof attributable to equity holders of the parent company</b>	<b>72,768</b>	<b>78,807</b>	<b>43,323</b>	<b>205,747</b>
<b>Earnings per share (in EUR)</b>	<b>0.64</b>	<b>0.69</b>	<b>0.38</b>	<b>1.80</b>



## Consolidated Balance Sheet

in TEUR

	30/9/2020	31/12/2019
<b>Assets</b>		
Intangible assets and goodwill	619,871	760,379
Property, plant and equipment	1,708,038	1,882,634
Investment property	48,922	57,832
Investments in associates and joint ventures	27,340	25,641
Other financial investments and non-current receivables	25,153	26,483
Deferred tax assets	46,867	58,745
<b>Non-current assets</b>	<b>2,476,191</b>	<b>2,811,714</b>
Inventories	748,795	827,566
Trade receivables	368,430	221,586
Receivables from current taxes	8,320	12,182
Other current receivables	61,268	91,507
Securities and other financial assets	162,270	36,317
Cash and cash equivalents	584,346	128,755
<b>Current assets</b>	<b>1,933,429</b>	<b>1,317,913</b>
<b>Non-current assets held for sale</b>	<b>2,891</b>	<b>2,958</b>
<b>Total assets</b>	<b>4,412,511</b>	<b>4,132,585</b>
<b>Equity and liabilities</b>		
Issued capital	115,188	116,352
Share premium	1,036,170	1,058,946
Hybrid capital	210,617	241,008
Retained earnings	913,681	943,851
Other reserves	-292,571	-222,478
Treasury stock	-57,300	-61,685
<b>Controlling interests</b>	<b>1,925,785</b>	<b>2,075,994</b>
Non-controlling interests	634	835
<b>Equity</b>	<b>1,926,419</b>	<b>2,076,829</b>
Deferred taxes	62,589	76,917
Employee-related provisions	147,919	150,684
Other non-current provisions	71,276	90,870
Long-term financial liabilities	1,220,085	576,246
Other non-current liabilities	2,864	3,085
<b>Non-current provisions and liabilities</b>	<b>1,504,733</b>	<b>897,802</b>
Current provisions	34,319	38,113
Payables for current taxes	12,538	25,516
Short-term financial liabilities	215,368	460,211
Trade payables	280,568	336,422
Other current liabilities	438,566	297,692
<b>Current provisions and liabilities</b>	<b>981,359</b>	<b>1,157,954</b>
<b>Total equity and liabilities</b>	<b>4,412,511</b>	<b>4,132,585</b>

## Consolidated Statement of Cash Flows

in TEUR

	1-9/2020	1-9/2019
Profit/loss before tax	99,268	264,485
Depreciation and amortization	184,256	172,823
Impairment charges to goodwill	91,644	0
Impairment charges to assets and other valuation effects	25,669	2,494
Increase/decrease in non-current provisions	-12,844	-7,386
Income from investments in associates and joint ventures	-3,778	-2,293
Gains/losses from the disposal of fixed and financial assets	-2,847	-4,360
Interest result	26,730	29,120
Interest paid	-29,587	-31,256
Interest received	231	456
Income taxes paid	-45,690	-56,558
<b>Gross cash flow</b>	<b>333,052</b>	<b>367,525</b>
Increase/decrease in inventories	40,040	-43,933
Increase/decrease in trade receivables	-168,952	-131,990
Increase/decrease in trade payables	-43,255	-51,420
Increase/decrease in other net current assets	106,885	59,341
<b>Cash flow from operating activities</b>	<b>267,770</b>	<b>199,523</b>
Proceeds from the sale of assets (including financial assets)	25,547	8,968
Payments made for property, plant and equipment and intangible assets	-99,539	-132,876
Payments made for investments in financial assets	-2,040	0
Dividend payments from associates and joint ventures	2,533	0
Increase/decrease in securities and other financial assets	-88,232	1,487
Net payments made for the acquisition of companies	0	-33,888
Net proceeds from the sale of companies	31,990	0
<b>Cash flow from investing activities</b>	<b>-129,741</b>	<b>-156,309</b>
Cash inflows from the increase in short-term financial liabilities	163,987	385,585
Cash outflows from the repayment of short-term financial liabilities	-454,868	-323,801
Cash inflows from the increase in long-term financial liabilities	710,835	768
Cash outflows from the repayment of long-term financial liabilities	-512	-343
Cash outflows from the repayment of lease liabilities	-33,992	-30,296
Dividends paid by Wienerberger AG	0	-57,291
Hybrid coupon paid	-12,504	-13,880
Buyback hybrid capital	-32,300	-15,721
Dividends paid to non-controlling interests	-409	-219
Purchase of treasury stock	-19,686	-12,167
<b>Cash flow from financing activities</b>	<b>320,551</b>	<b>-67,365</b>
<b>Change in cash and cash equivalents</b>	<b>458,580</b>	<b>-24,151</b>
Effects of exchange rate fluctuations on cash held	-2,989	650
Cash and cash equivalents at the beginning of the year	128,755	163,080
<b>Cash and cash equivalents at the end of the period</b>	<b>584,346</b>	<b>139,579</b>

## Operating Segments

1-9/2020 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	1,581,689	718,753	242,837		2,543,279
Inter-company revenues	3,477	198	0	-128	3,547
Total revenues	1,585,166	718,951	242,837	-128	2,546,826
EBITDA	315,434	83,849	33,891		433,174
Operating EBIT	189,926	43,113	12,277		245,316
Impairment charges to assets	-16,821	-5,697	0		-22,518
Impairment charges to goodwill	0	0	-91,644		-91,644
EBIT	173,105	37,416	-79,367		131,154
Profit/loss after tax	129,526	18,234	-95,834	64	51,990
Capital employed	1,730,300	556,655	290,567		2,577,522
Total investments	68,958	24,296	6,285		99,539
Ø Employees (in FTE)	11,864	3,311	1,336		16,511

1-9/2019 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	1,651,393	746,501	257,577		2,655,471
Inter-company revenues	680	95	3	-309	469
Total revenues	1,652,073	746,596	257,580	-309	2,655,940
EBITDA	352,526	78,276	35,557		466,359
Operating EBIT	239,272	40,220	12,553		292,045
EBIT	239,272	40,220	12,553		292,045
Profit/loss after tax	185,265	24,142	6,493	201	216,101
Capital employed	1,889,056	566,526	438,953		2,894,535
Total investments	93,590	27,845	11,441		132,876
Ø Employees (in FTE)	12,360	3,324	1,467		17,151

# Financial Calendar

November 5, 2020	Results for the First Three Quarters of 2020
<i>January 25, 2021</i>	<i>Start of the quiet period</i>
February 24, 2021	Results for the Full Year 2020: Presentation of the Results in Vienna
March 29, 2021	Publication of the 2020 Annual Report on the Wienerberger Website
<i>April 21, 2021</i>	<i>Start of the quiet period</i>
April 24, 2021	Record date for participation in the 152 <sup>nd</sup> Annual General Meeting
May 4, 2021	152 <sup>nd</sup> Annual General Meeting
May 6, 2021	Deduction of dividends for 2020 (ex-day)
May 7, 2021	Record date for 2020 dividends
May 10, 2021	Payment day for 2020 dividends
May 12, 2021	Results for the First Quarter of 2021
June 2021	Publication of the Sustainability Report 2020
<i>July 19, 2021</i>	<i>Start of the quiet period</i>
August 11, 2021	Results for the First Half-Year of 2021: Presentation of the Results in Vienna
<i>October 18, 2021</i>	<i>Start of the quiet period</i>
November 9, 2021	Results for the First Three Quarters of 2021

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