



# Wienerberger Results Q1-3 2020

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Q3 2020

# Strong Q3 results in challenging market environment

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Strong operational performance  
**across all business units**



**Post-lockdown demand improved** over summer months,  
driven by catch-up effects



Strict cost discipline, performance  
enhancement measures and  
improved product mix **increased  
profitability further**

## External revenues

(in € mn)

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

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

(in € mn)

	7-9/2020	7-9/2019	Chg. in %
Wienerberger Building Solutions	128.5	129.8	-1
Wienerberger Piping Solutions	31.4	30.0	5
North America	16.7	12.7	32
<b>Wienerberger Group</b>	<b>176.6</b>	<b>172.5</b>	<b>2</b>

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

## Executive summary

# Strong performance in Q1-3 2020

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- › Satisfactory results driven by Wienerberger's **highly resilient business model** and strong **catch-up demand through the summer months**

External revenues € 2,543.3 mn | -4%  
EBITDA LFL € 431.7mn | -7%



- › Successful launch of **sustainability program 2023**

**15% less CO<sub>2e</sub><sup>1)</sup>** vs. 2020  
**100%** of new products will be **recyclable or reusable**  
**All sites** will have their own **biodiversity program**



- › **Efficiency enhancements delivering € 24 mn EBITDA contribution**
- › **Innovative solutions drive improved product mix**, supporting top line development
- › **Strong pricing power** to offset cost inflation



- › **Robust balance sheet** with **substantial liquidity** providing a platform for strong future growth

Available Liquidity<sup>2)</sup>: € 955 mn  
Net Debt / EBITDA<sup>2)</sup>: 1.2x

1) CO<sub>2e</sub> describes the global warming potential (GWP) of various greenhouse gases in a single unit. // 2) As per 30/09/2020

# Our end markets in Europe in Q1-3 2020

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## New Build | Renovation

### Western Europe:

- ➡ **New build:** declining volumes vs. previous year due to lockdowns and administrative delays in issuing building permits
- ➡ **Renovation:** stronger demand vs. previous year in residential (roof and facade) and paving for infrastructure

### Central Europe:

- ➡ **Flat markets** in Austria and Germany both for new build and renovation

### Eastern Europe:

- ➡ **New build:** weakening volumes in Poland and Hungary (driven by changing tax legislation)
- ➡ **New Build:** stable developments in the Czech Republic and Southern Europe
- ➡ **Renovation:** stable market development

## Infrastructure

### Western Europe:

- ➡ **Declining volumes** vs. previous year in main markets due to lockdowns

### Nordics:

- ➡ Relatively **flat developments** vs. previous year

### Eastern Europe:

- ➡ Smaller countries<sup>1)</sup> benefiting from EU funds
- ➡ Flat market development until summer, **Poland and Hungary showing slight declines** going into autumn

1) Rumania, Bulgaria and Greece

# Our end markets in the US and Canada in Q1-3 2020

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## New Build | Renovation | Infrastructure



USA



**Strong demand for new build**, above previous year's levels in our main markets in the US



**Increasing demand for renovation solutions** vs. previous year



**Demand for infrastructure recovered** after weather related weakness at the start of the year, slightly below previous year levels



Canada



**Demand in Canada returned** to previous year's levels during summer, but YTD still impacted from lockdown



**Q1-3 2020**

# **Strong performance demonstrates the resilience of our business model**

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**External revenue**

**€ 2,543.3 mn**

(Q1-3 2019: € 2,655.5 mn | -4%)

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

**€ 431.7 mn**

(Q1-3 2019: € 462.6 mn | -7%)



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

# Operational excellence drives robust performance in a challenging environment

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in € mn	Q1-3 2020	Q1-3 2019	Chg. in %
External revenue	<b>1,581.7</b>	1,651.4	-4
EBITDA LFL	<b>312.4</b>	349.5	-11
EBITDA	<b>315.4</b>	352.5	-11
EBITDA LFL Margin	<b>20.1%</b>	21.2%	-

- › Q2 market dynamics negatively impacted by **state-imposed lockdowns**
- › Continuation of **pre Covid-19 projects** and **increased demand for infrastructure and renovation** drive results in Q3
- › Support of **new, digital solutions**, further **optimization and efficiency enhancement** measures contributed to **robust performance**





# Further increase of profitability despite Covid-19

in € mn	Q1-3 2020	Q1-3 2019	Chg. in %
External revenue	718.8	746.5	-4
EBITDA LFL	86.3	81.1	+6
EBITDA	83.8	78.3	+7
EBITDA LFL Margin	11.7%	10.9%	-

- **Further increase of profitability** due to **strict cost discipline** and **proactive margin management**
- **Improved demand in Q3**, slight volume declines vs. PY offset by performance enhancement measures
- Continuous satisfactory development of **electro in-house solutions** and **agriculture business**



# Strong results driven by strict cost discipline

in € mn	Q1-3 2020	Q1-3 2019	Chg. in %
External revenue	242.8	257.6	-6
EBITDA LFL	33.0	32.0	+3
EBITDA	33.9	35.6	-5
EBITDA LFL Margin	13.6%	12.4%	-

- › **Strict cost discipline** and **improved product mix** drive profitability
- › **USA: core markets register growth** in single-family home segment; pricing to cover cost inflation still holding up
- › **Canada:** demand recovery in conjunction with pricing strategy to cover cost inflation and positive product mix improvement lead to **strong performance in Q3**







Storey Field (c)  
Alan Williams

## Financial Results Q1-3 2020

**Q1-3 2020**

# Satisfactory results prove our crisis resistance

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External revenue

**€ 2,543.3 mn**

(Q1-3 2019: € 2,655.5 mn | -4%)

EBITDA LFL <sup>1)</sup>

**€ 431.7 mn**

(Q1-3 2019: € 462.6 mn | -7%)

Operating EBIT

**€ 245.3 mn**

(Q1-3 2019: € 292.0 mn | -16%)

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

**17.0%**

(Q1-3 2019: 17.4% | -40 bp)

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

**Q1-3 2020**

# **Strong results despite challenging market environment** wienerberger

**Change in working capital**

**€ -65.3 mn**

(Q1-3 2019: € -168.0 mn | +61%)

**Net debt**

**€ 688.8 mn**

(30/9/2019: € 881.2 mn | -22%)

**Free cash flow**

**€ 138.2 mn**

(Q1-3 2019: € 86.2 mn | +60%)

**Net debt / EBITDA**

**1.2x**

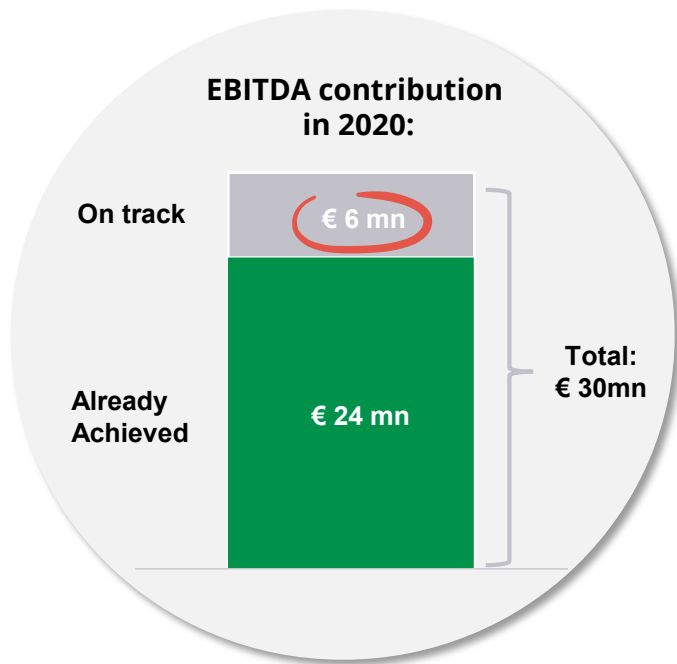
(30/9/2019: 1.6x)



## Self help program

# We promised and deliver

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## Fast Forward performance



Following interruptions in Q2,  
**activities were resumed in Q3**



Full **€ 30 mn** will be **delivered in 2020**

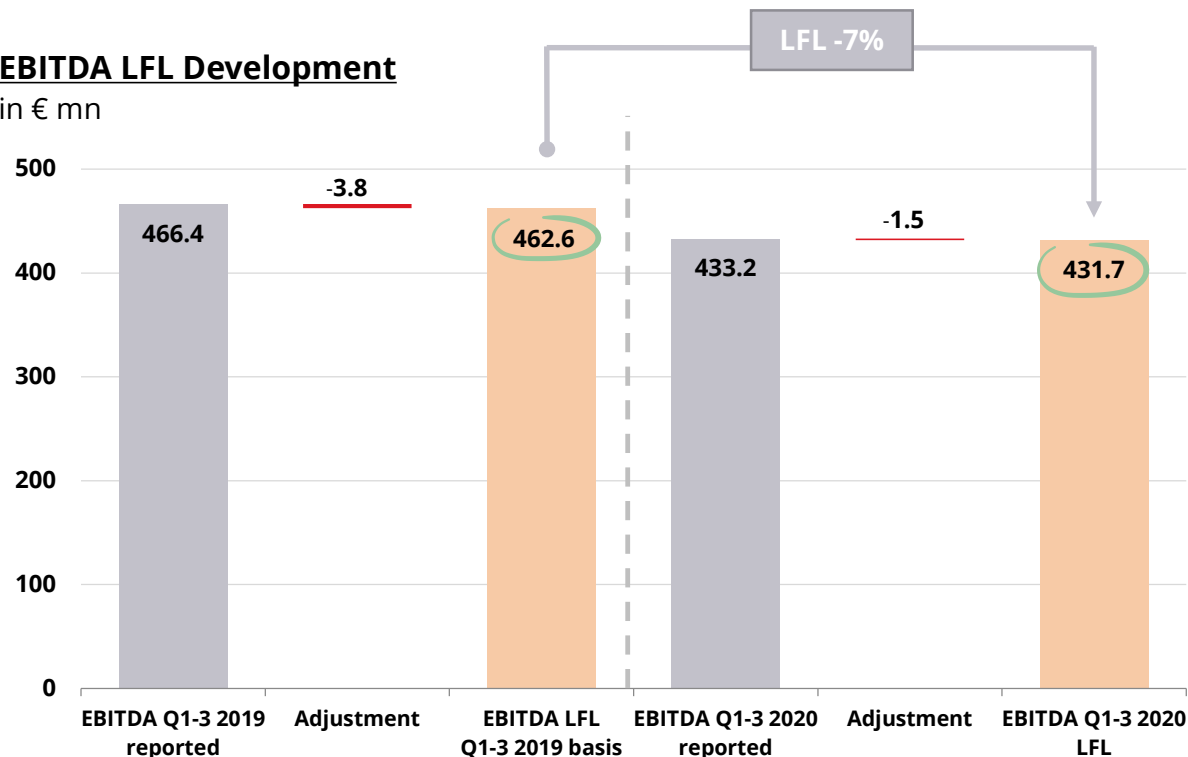


Program will be continued and  
implemented in **new self help  
program 2021-2023**

# Solid operational performance despite Covid-19 impact wienerberger

## EBITDA LFL Development

in € mn



## EBITDA adjustments

(in € mn)

	1-9/2020	1-9/2019
<b>EBITDA reported</b>	<b>433.2</b>	<b>466.4</b>
FX	6.7	-
Consolidation	-5.8	-4.3 <sup>1)</sup>
Sale of assets <sup>2)</sup>	-8.4	-3.5
Structural adjustments <sup>3)</sup>	6.1	3.9
<b>Total adjustment</b>	<b>-1.5</b>	<b>-3.8</b>
<b>EBITDA LFL</b>	<b>431.7</b>	<b>462.6</b>

<sup>1)</sup> Includes one-off effect (Badwill, deconsolidation of Swiss operations)

<sup>2)</sup> Sale of non-core and non-operating assets

<sup>3)</sup> Costs related to repositioning and restructuring of selected businesses

Note: Rounding differences may arise from automatic processing of data

# Income statement

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in € mn	1-9/2020	1-9/2019	Chg. in %
<b>Revenue</b>	2,546.8	2,655.9	-4
<b>EBITDA LFL</b>	<b>431.7</b>	<b>462.6</b>	<b>-7</b>
<b>EBITDA</b>	<b>433.2</b>	<b>466.4</b>	<b>-7</b>
<b>Operating EBIT</b>	<b>245.3</b>	<b>292.0</b>	<b>-16</b>
Impairment charges to assets	-22.5	0.0	>-100
Impairment charges to goodwill	-91.6	0.0	>-100
<b>EBIT</b>	<b>131.2</b>	<b>292.0</b>	<b>-55</b>
Financial result	-31.9	-27.6	-16
<b>Profit before tax</b>	<b>99.3</b>	<b>264.5</b>	<b>-62</b>
Income taxes	-47.3	-48.4	2
<b>Profit/loss after tax</b>	<b>52.0</b>	<b>216.1</b>	<b>-76</b>
Hybrid coupon and non-controlling interests	8.7	10.4	-16
<b>Net result</b>	<b>43.3</b>	<b>205.7</b>	<b>-79</b>

Impairment allocated to full write-off of goodwill in North America **already booked in Q1**

Note: Rounding differences may arise from automatic processing of data

# Cash flow development

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in € mn	1-9/2020	1-9/2019	Chg. in € mn	Chg. in %
<b>Gross cash flow</b>	<b>333.1</b>	<b>367.5</b>	<b>-34.5</b>	<b>-9</b>
Change in working capital <sup>1)</sup>	-65.3	-168.0	102.7	61
Maintenance capex	-67.4	-93.4	26.1	28
Divestments and other	-28.2	10.5	-38.6	>-100
Lease payments	-34.0	-30.3	-3.7	-12
<b>Free cash flow</b>	<b>138.2</b>	<b>86.2</b>	<b>52.0</b>	<b>60</b>
Special capex	-32.2	-39.4	7.3	18
M&A	-2.0	-33.9	31.8	94
Dividend & share buyback <sup>2)</sup>	-20.1	-69.7	49.6	71
Hybrid coupon & buyback	-44.8	-29.6	-15.2	-51
<b>Net cash flow</b>	<b>39.1</b>	<b>-86.4</b>	<b>125.5</b>	<b>&gt;100</b>

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

# Strong balance sheet

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in € mn	30.9.2020	30.9.2019	Chg. in % vs. 30.9.2019	31.12.2019
Equity <sup>1)</sup>	1,926.4	2,050.9	-6	2,076.8
Equity ratio	43.7%	50.0%	-	50.3%
Net debt	688.8	881.2	-22	871.4
Net debt / EBITDA <sup>2)</sup>	1.2	1.6	-	1.4
Gearing	35.8%	43.0%	-	42.0%

- **Net debt reduced by 22%** compared to 30/9/2019 due to **strong cash generation, improved working capital and dividend deferral**
- **Strong net debt / EBITDA ratio of 1.2x**

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

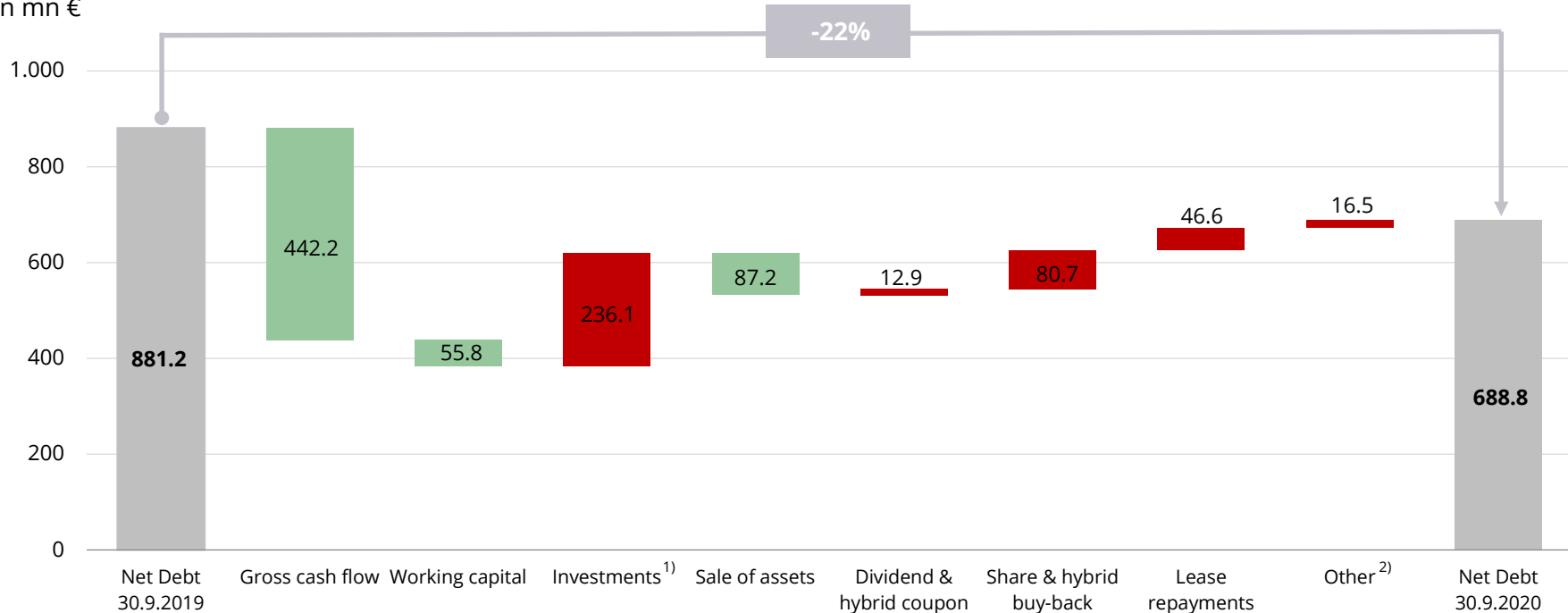


# Net debt decrease driven by strong cash flow, working capital management and dividend deferral

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## Net debt development

in mn €



1) Includes Total investment and M&A // 2) Non-cash lease additions, non-cash valuation effects, FX and others

Note: Rounding differences may arise from automatic processing of data

# Confident to reach upper end of FY 2020 guidance

## ASSUMPTIONS

- › **Market declines** up to **-10%** in 2020 across the Group
- › **Price increases** holding up as **planned**
- › **Fast Forward** to contribute **approx. € 30 mn** for FY 2020

## EBITDA LFL

- › We are confident to reach **upper end of guidance: € 480 - 500 mn <sup>1)</sup>**

## MAINTENANCE CAPEX

- › **€ 120 mn**

## Q4 OUTLOOK

- › Markets are again characterized by uncertainty due to the **second wave of the Covid-19 pandemic, already leading to weaker demand levels (-10%)**
- › We will continue our **strict working capital management, adjust capacity in accordance with market developments** and weather conditions



**Strategy 2023**

# Wienerberger Group Strategy

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# EBITDA contribution of € 135 mn until 2023 to be delivered with self-help measures

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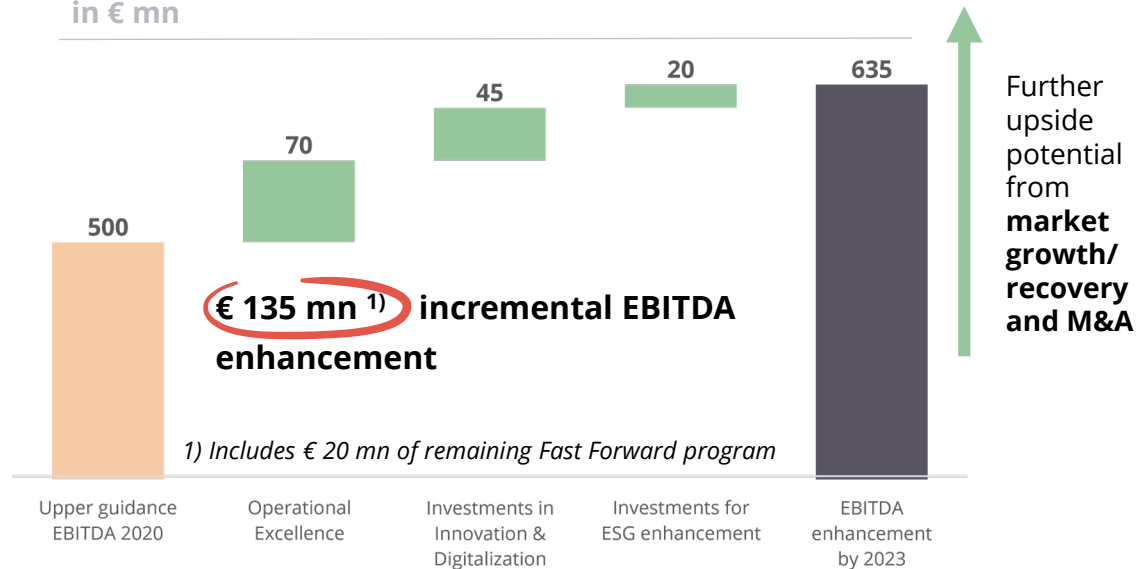
## Capex allocation 2021-2023

in € mn

Maintenance capex	120 p.a.
Special capex	80 p.a.
ESG capex	60 p.a.

## Lifting EBITDA from own strength

in € mn





# Ambitious 2023 ESG targets for Wienerberger

## ENVIRONMENT



### Climate Protection

**-15%** CO<sub>2e</sub><sup>1)</sup> emissions  
vs. 2020



### Circular Economy

**100%** Of new products will  
be designed in a way  
that they are  
recyclable or reusable



### Biodiversity

**Biodiversity program**  
for all our sites in place

## SOCIAL



### Diversity

**>15%** Female employees in  
senior management

**>30%** Female employees in  
white collar positions



### Training and Development

**+10%** More training hours  
per employee



### CSR Projects

**200** Housing units build with  
our products per year for  
people in need in our  
local markets

## GOVERNANCE



Committed to highest  
national and  
international  
governance standards  
and with focus on:



- › Business strategy
- › Board diversity and composition
- › Executive compensation
- › Succession management

1) "Carbon dioxide equivalents" or "CO<sub>2e</sub>" is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit

Note: All goals are set vs. the reference year 2020.

# Pipes portfolio becomes smarter through acquisition of the Dutch digital service provider Inter Act

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- › Inter Act offers **web & cloud-based technologies**
- › Their **smart devices collect data** and can be connected across various control systems to a **single monitoring & control center**
- › **Together** we can offer **smart infrastructure solutions** enabling our clients to
  - › Monitor, predict, remotely control & learn from data
- › With these new smart water management solutions we contribute to **fight the negative effects of climate change**



Turning infrastructure networks into  
intelligent water management solutions

## Enabler: M&A and Portfolio Optimization

# Successful divestment of Swiss activities

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- › We continuously **review our business portfolio** in terms of profitability and strategic fit
- › Our Swiss activities were under review
  - › Two roof tile plants, one block plant and a trading business for facade solutions
  - › 2019 revenue: € ~50 mn
- › Business **did not meet internal requirements** for further **growth potential** and **value creation**
- › We therefore **sold our operations** as of September 4, 2020 for a very **attractive multiple**

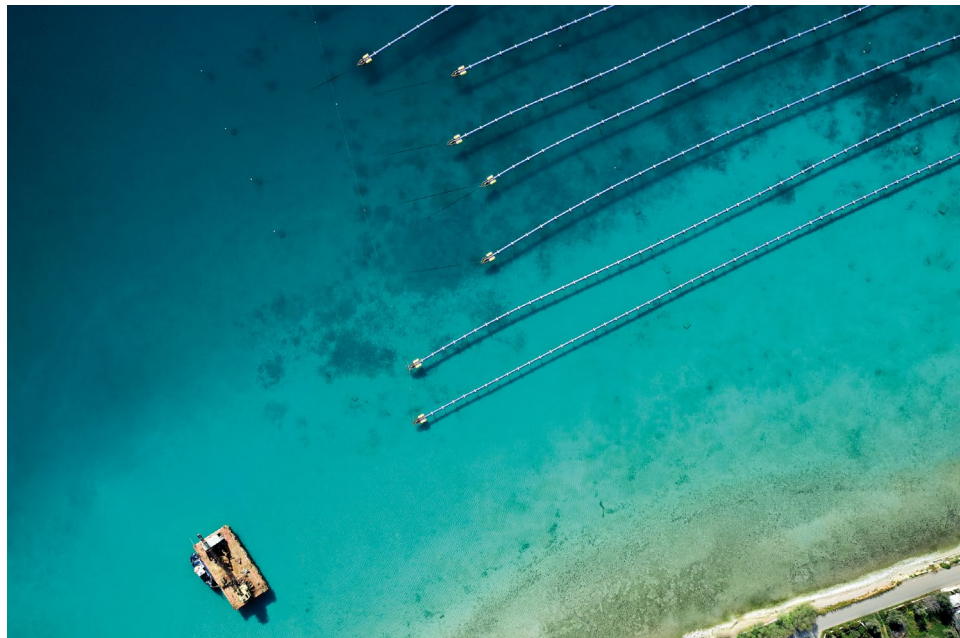


Last step in the completion of 2020 asset disposal program:

**€ 150 mn** of value generated

# Strong foundations for sustainable growth

- ① Further enhance innovative system solutions
- ② Performance Enhancement beyond Fast Forward
- ③ Continue sustainability commitment with new ambitious targets
- ④ Use strong cash generation for further growth



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