Wienerberger Results H1 2020

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Cautionary note regarding forward-looking statements

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The outbreak of the Covid-19 pandemic

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The situation

- Rapidly changing business environment
- Fast changing news flow
- 30 countries adopting different government measures to fight the pandemic

Our management

- Strict H&S measures implemented throughout the entire value chain
- Immediate constitution of internal business resilience team
- Implementation of home office within 48h
- Investments into digitalization paid off resulting in business robustness
- Strict focus on cash preservation

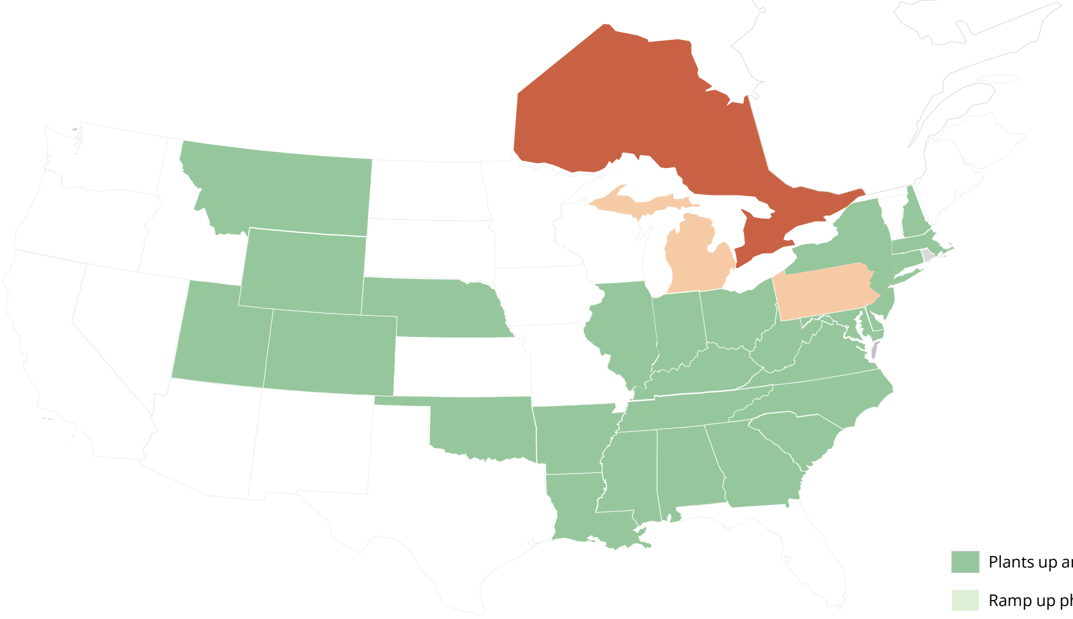
Our communication

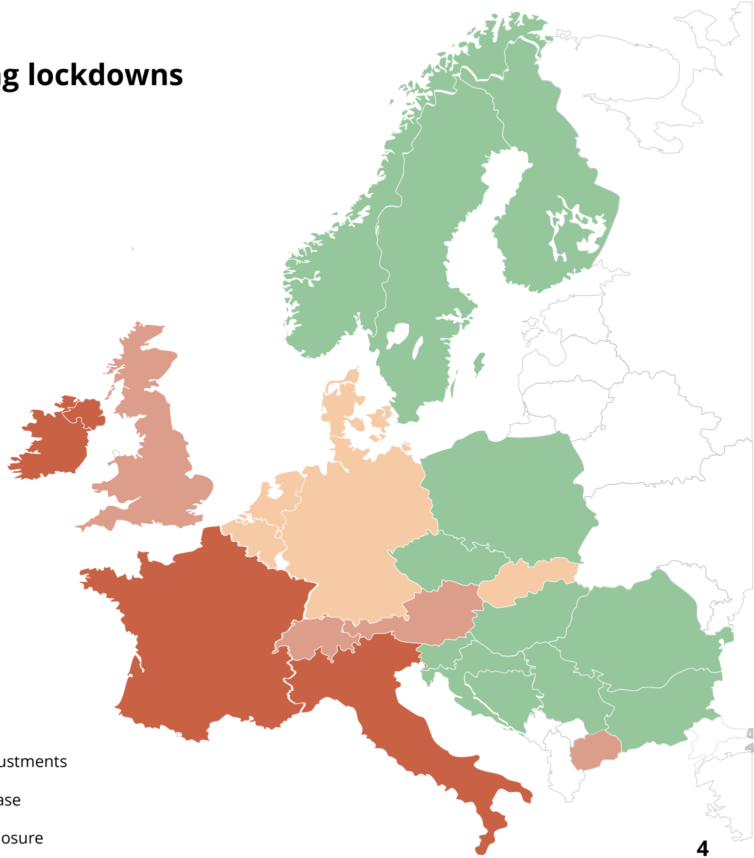
- Transparent and timely communication to all stakeholders
- Weekly employee updates from CEO
- Regular updates to the financial market

With an effective and proactive crisis management we secured sustainable business performance

Capacity measures
April 2020

Overview of Wienerberger plant shut downs and capacity adjustments during lockdowns





Plants up and running

Ramp up phase

Temporary capacity adjustments

Closure preparation phase

Government imposed closure

Wienerberger performance:
-23% revenue [1)]

1) Group revenue month-on-month change compared to 2019

Capacity measures
May 2020

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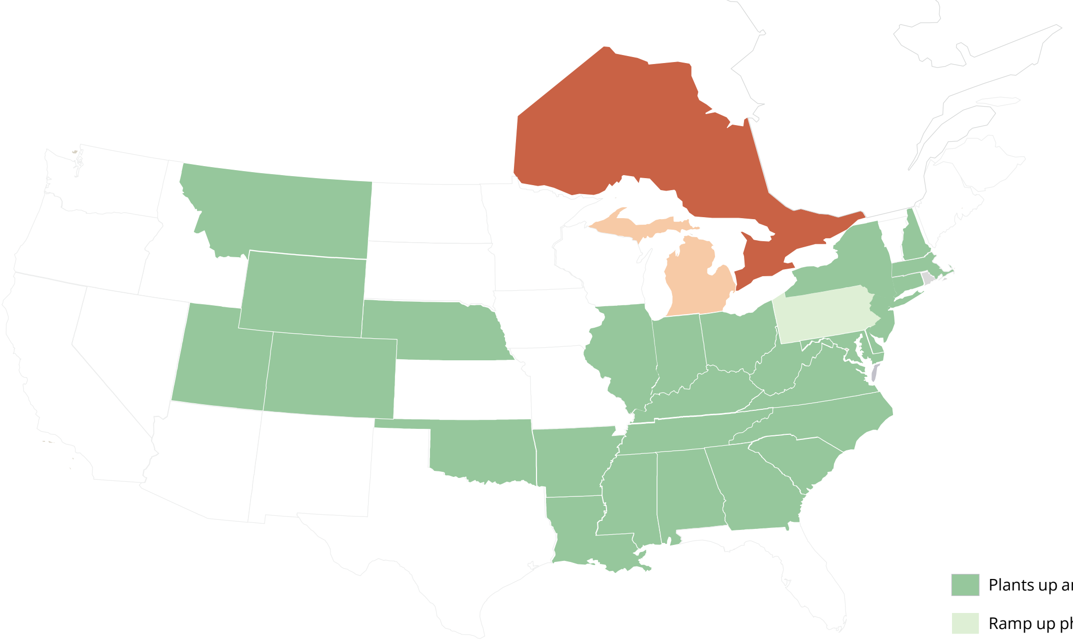
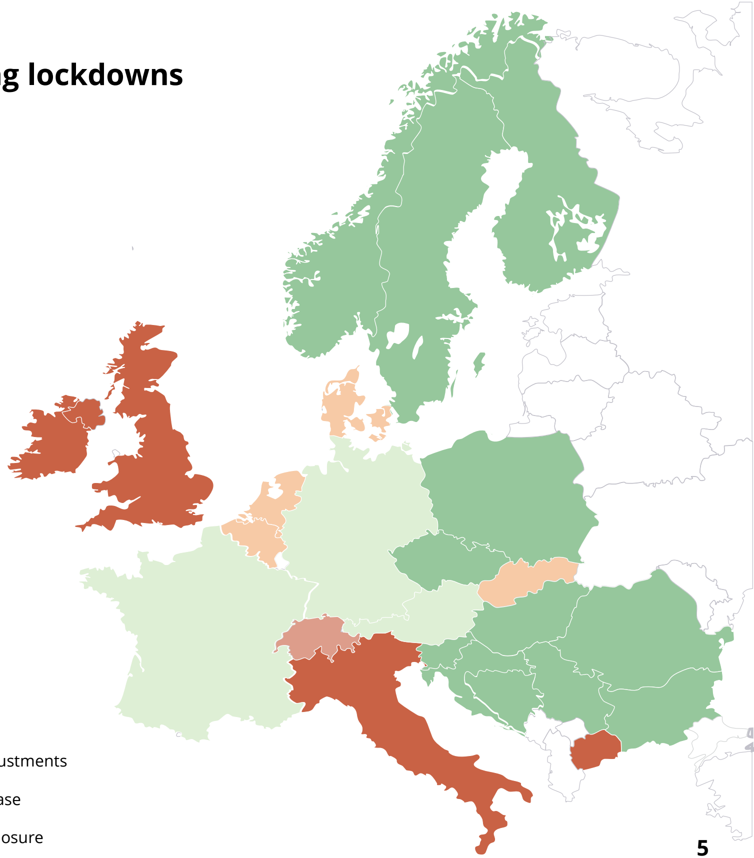
Overview of Wienerberger plant shut downs and capacity adjustments during lockdowns





Wienerberger performance:
-18% revenue [1)]

1) Group revenue month-on-month change compared to 2019

Capacity measures
June 2020

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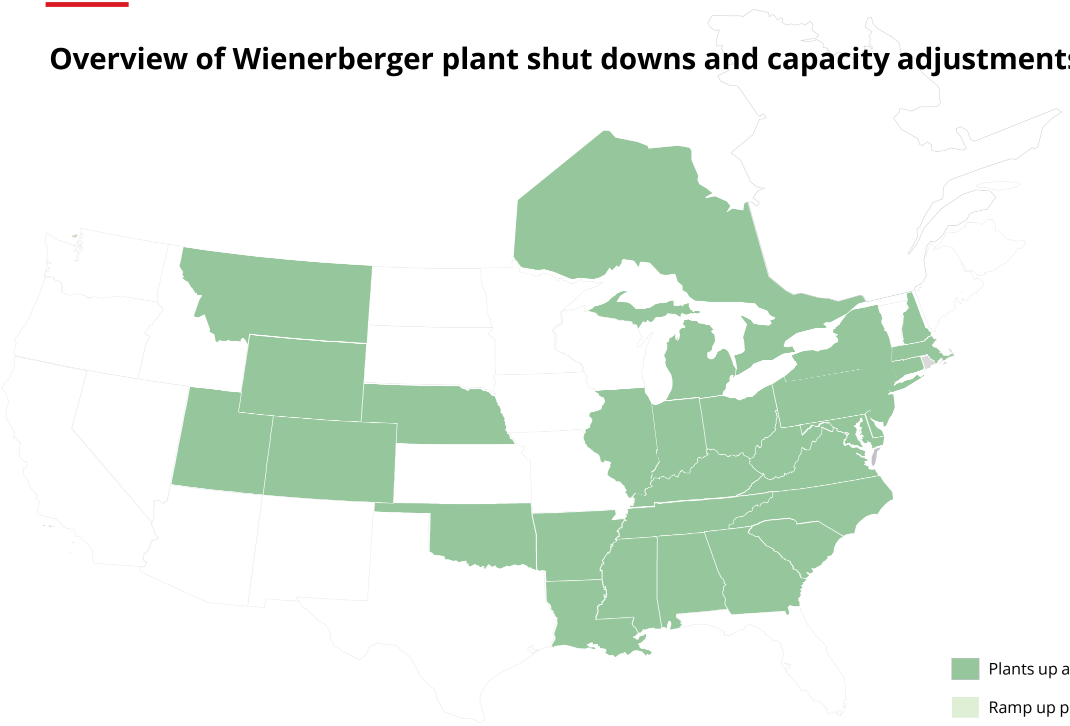
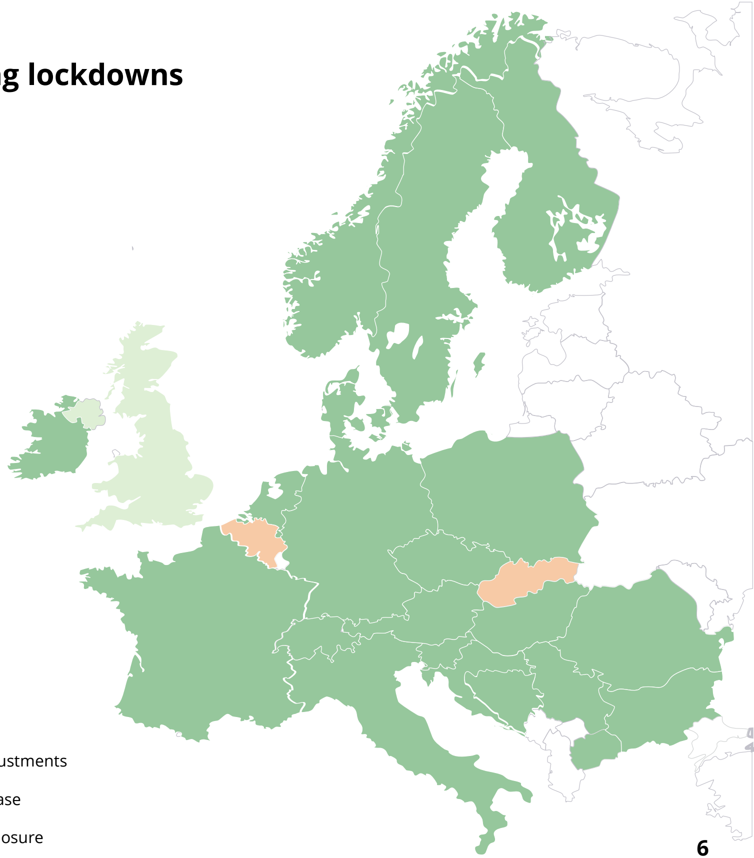
Overview of Wienerberger plant shut downs and capacity adjustments during lockdowns





Plants up and running
Ramp up phase
Temporary capacity adjustments
Closure preparation phase
Government imposed closure

Wienerberger performance: +4% revenue [1)]

1) Group revenue month-on-month change compared to 2019

H1 2020

Resilient performance despite Covid-19

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Revenue

€ 1,641.5 mn

(H1 2019: € 1,736.4 mn |-5%)

EBITDA LFL [1)]

€ 255.2 mn

(H1 2019: € 290.1 mn |-12%)

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

Clear measures

Covid-19 measures delivering clear results

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			H1 2020	vs. H1 2019
	Maintenance capex	Necessary spend	**€ 46 mn**	**-1%**
	Special capex	Reduced to minimum	**€ 22 mn**	**-39%**
	M&A	All projects were put on hold	**€ 2 mn**	**-94%**

Total savings on capex and M&A in H1 2020:

€ 46 mn

Costs & efficiencies

€ 15 mn Fast Forward earnings contribution through efficiency enhancements and cost optimization measures

Financial Position

Enhancing financial strength

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Strong liquidity

Approx. € 800 mn of cash and undrawn credit facilities[1)]

Robust balance sheet

$$\frac{\textbf{Net debt}}{\textbf{EBITDA}}$$ of **1.6x** [1)]

Additional financing

Successful **bond placement**:
€ 400 mn | 5 years | 2.75%

Confirmed credit rating by Moody's

Ba1 | Outlook: negative

1) As per end of June 2020

Despite Covid-19…

ESG performance remains a core focus

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Well on track to deliver Sustainability Roadmap 2020

Our achievements in the first half of 2020:

✓ We take responsibility for a livable future – in **ecological, social and economic terms**. This is evidently recognized externally:

MSCI: AAA rating confirmed

Sustainalytics: Medium risk: 22.6 rating improved

✓ **First climate neutral brick successfully launched in 2020**

✓ **Sustainability Update published.** 2019 was marked by significant progress achieved in terms of innovation, environmental protection and supplier management

Despite Covid-19...

We continue to work on innovative and digital solutions for the future

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- **Entering into the field of new energy solutions** with the world's first certified pipe to transport green hydrogen
- Continuously driving **the decarbonization of our product portfolio** with energy-efficient solutions – e.g. Ecobrick
- Expanding our **digital sales and customer centric solutions**
- **Smart asset management** offerings for **water networks**

OUR SOLUTIONS

NEW ENERGY

ENERGY EFFICIENT SOLUTIONS

DIGITAL ENLARGEMENT

SMART SOLUTIONS

Improved operating leverage leads to robust performance

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in € mn	H1 2020	H1 2019	Chg. in %
External revenues	**1,014.4**	1,074.1	-6
EBITDA LFL	**183.9**	219.6	-16
EBITDA	**191.0**	221.7	-14
EBITDA LFL Margin	**18.5%**	20.4%	-

- Western Europe heavily impacted by **Covid-19 government measures**
- **June: Demand returning relatively quickly,** benefitting from accumulated pent-up demand, which has continued into July
- Support of **new, digital solutions**, further **optimization and efficiency enhancement** measures contributed to **robust performance** of this business unit

Wienerberger Piping Solutions

Further increase of profitability

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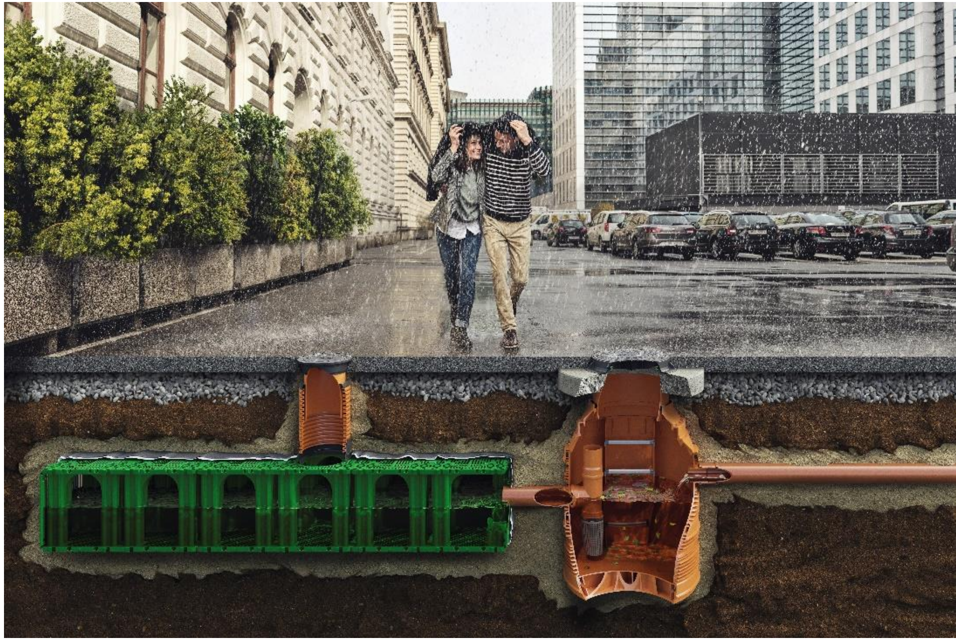
in € mn	H1 2020	H1 2019	Chg. in %
External revenues	**470.3**	497.0	-5
EBITDA LFL	**54.9**	51.1	+7
EBITDA	**53.4**	51.1	+5
EBITDA LFL Margin	**11.4%**	10.3%	-

- **Further increase of profitability** due to efficiency enhancement and beneficial development of input costs in Q2
- Continuous strong demand for our **infrastructure solutions**
- Satisfactory development of **electro in-house solutions**



North America

Solid performance despite Covid-19 impact

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in € mn	H1 2020	H1 2019	Chg. in %
External revenues	**154.9**	164.9	-6
EBITDA LFL	**16.3**	19.3	-16
EBITDA	**17.4**	22.8	-24
EBITDA LFL Margin	**10.8%**	11.7%	-

- Business developments impacted by **unfavorable weather conditions** at the beginning of the year and later by **Covid-19** (e.g. plant shut down in Canada)
- In June strong **catch-up effect in USA and Canada**, which has continued into July
- Improved cost structure due to **strict cost discipline** and **active working capital management**

Financial Results H1 2020

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H1 2020

Resilient results despite Covid-19

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Revenue	EBITDA LFL 1)
€ 1,641.5 mn	**€ 255.2 mn**
(H1 2019: € 1,736.4 mn | -5%)	(H1 2019: € 290.1 mn | -12%)

Free cash flow	EBITDA LFL margin 1)
€ -60.0 mn	**15.7%**
(H1 2019: € -58.5 mn |-3%)	(H1 2019: 16.7% | -100 bp)

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

Fast Forward 2020

We promised and will deliver

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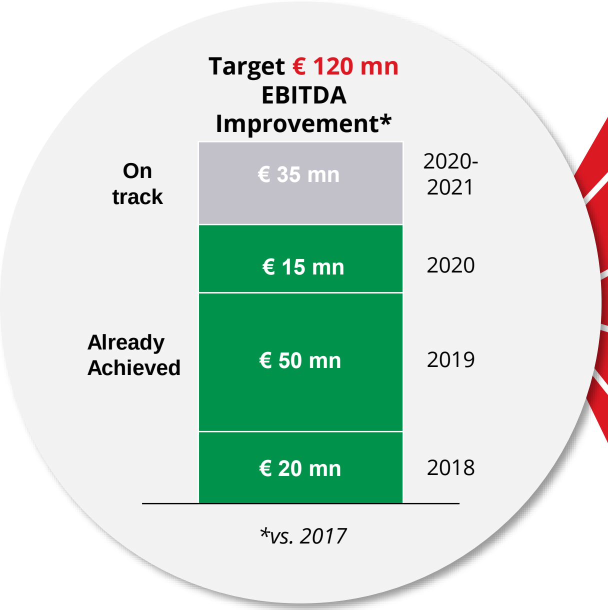

Fast Forward performance 2018 – H1 2020:

- Strong track record of delivering on our promises
- Well-filled project pipeline in place to successfully close the program

Assumptions 2020/2021

- Fast Forward execution slowed down by Covid-19
- Full year 2020 EBITDA contribution expected at € 30 mn
- Initiatives will roll-over to 2021 and deliver remaining contribution

Continuous improvement will continue to be a crucial pillar in our strategy going forward and we will set ourselves new targets for 2021+

Solid operational performance despite Covid-19 impact

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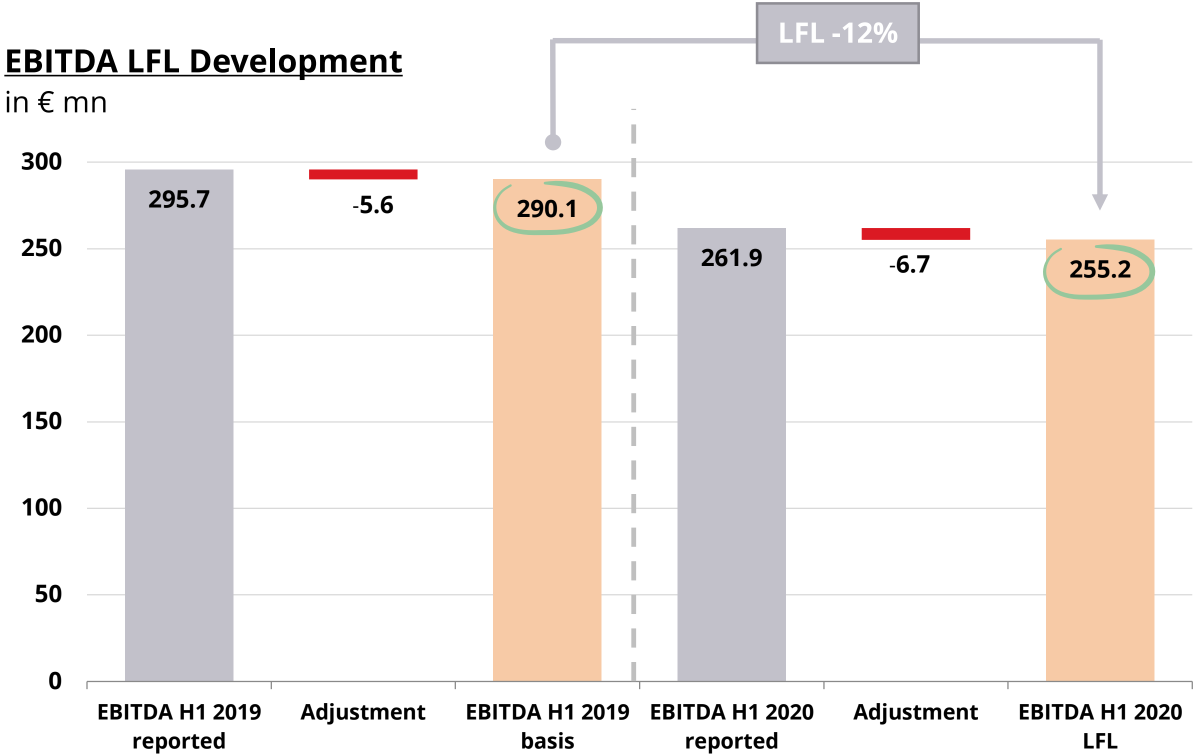

EBITDA adjustments (in € mn)	**1-6/2020**	**1-6/2019**
EBITDA reported	**261.9**	**295.7**
FX	3.6	-
Consolidation	-4.2	-3.1 [1)]
Sale of assets [2)]	-10.2	-3.2
Structural adjustments [3)]	4.2	0.7
Total adjustment	**-6.7**	**-5.6**
EBITDA LFL	**255.2**	**290.1**

1) Includes one-off effect (Badwill)
2) Sale of non-core and non-operating assets
3) 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	1-6/2020	1-6/2019	Chg. in %
Revenue	**1,641.5**	**1,736.4**	**-5**
EBITDA LFL	**255.2**	**290.1**	**-12**
EBITDA	**261.9**	**295.7**	**-11**
Operating EBIT	**136.5**	**181.5**	**-25**
Impairment charges to assets	-23.3	0.0	>-100
Impairment charges to goodwill	-93.5	0.0	>-100
EBIT	**19.7**	**181.5**	**-89**
Financial result	-11.1	-14.8	25
Profit before tax	**8.6**	**166.7**	**-95**
Income taxes	-32.2	-32.9	2
Profit/loss after tax	**-23.6**	**133.8**	**>-100**
Hybrid coupon and non-controlling interests	5.9	6.9	-14
Net result	**-29.4**	**126.9**	**>-100**

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	1-6/2020	1-6/2019	Chg. in € mn	Chg. in %
Gross cash flow	**187.8**	**215.4**	**-27.6**	**-13**
Change in working capital 1)	-153.2	-210.3	57.1	27
Maintenance capex	-46.1	-46.3	0.2	1
Divestments and other	-25.6	2.3	-27.9	>-100
Lease payments 2)	-22.9	-19.6	-3.3	-17
Free cash flow	**-60.0**	**-58.5**	**-1.5**	**-3**
Special capex	-21.9	-36.0	14.1	39
M&A	-2.0	-33.5	31.4	94
Dividend & share buyback 3)	-19.7	-60.4	40.7	67
Hybrid coupon & buyback	-40.7	-20.6	-20.1	-98
Net cash flow	**-144.3**	**-208.9**	**64.6**	**31**

1) Adjusted for changes in the consolidation range // 2) Lease payments due to implementation of IFRS 16 // 3) Including dividends paid to non-controlling interests
Note: Rounding differences may arise from automatic processing of data

Strong focus on inventory levels during lockdown drives cash preservation

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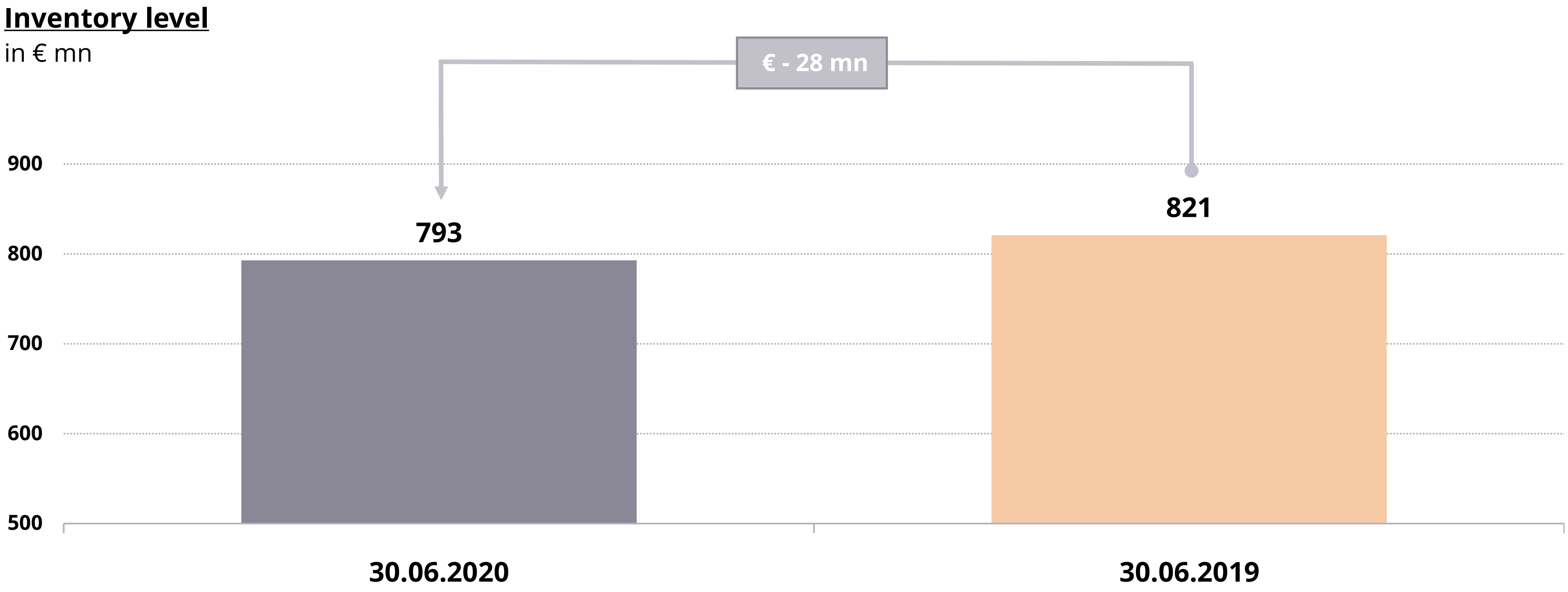

Note: Rounding differences may arise from automatic processing of data

Sound balance sheet ratios despite Covid-19 impact

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in € mn	30.6.2020	30.6.2019	Chg. in % vs. 30.6.2019	31.12.2019
Equity [1)]	1,875.6	1,980.4		2,076.8
Equity ratio	43.0%	48.6%	-	50.3%
Net debt	928.2	982.3	-6	871.4
Net debt / EBITDA [2)]	1.6	1.8	-	1.4
Gearing	49.5%	49.6%	-	42.0%

- **Net debt reduced by 6%** compared to H1 2019 due to **strong cash generation, improved working capital and dividend deferral**
- **Strong Net Debt / EBITDA** ratio of **1.6x** despite Covid-19 impact

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 due to strong cash flow, working capital management and dividend deferral

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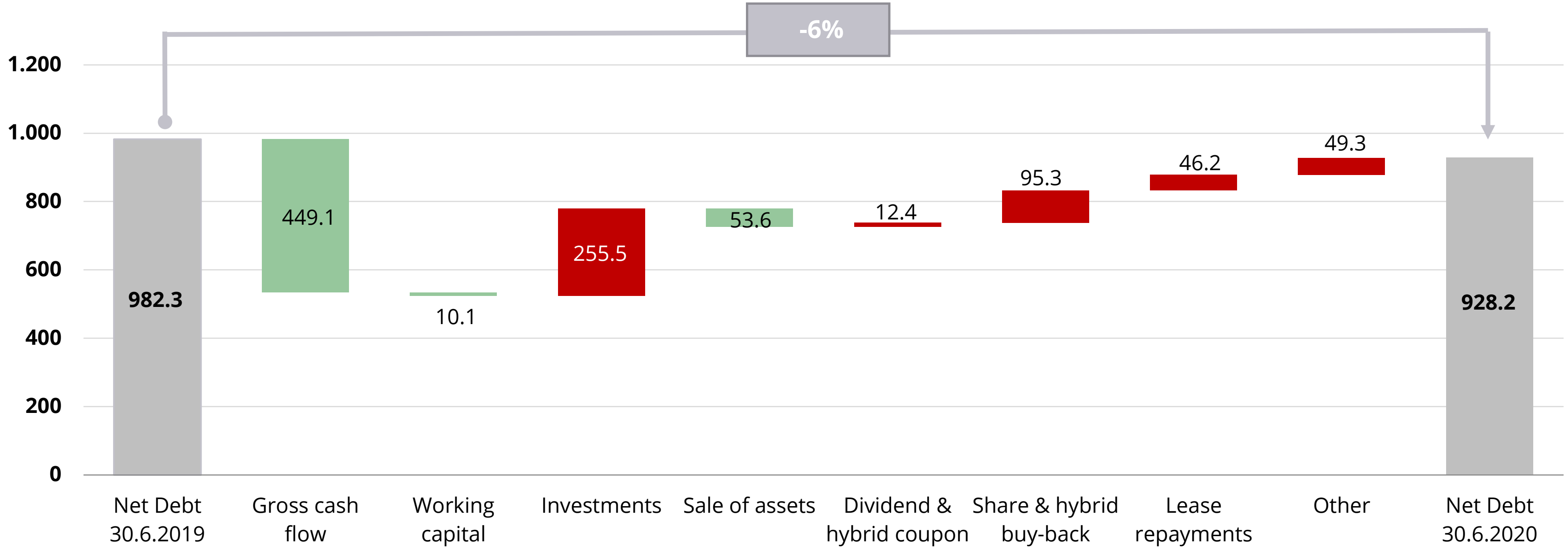
Net debt development

in € mn



Note: Rounding differences may arise from automatic processing of data

Balanced financing structure as basis for further growth

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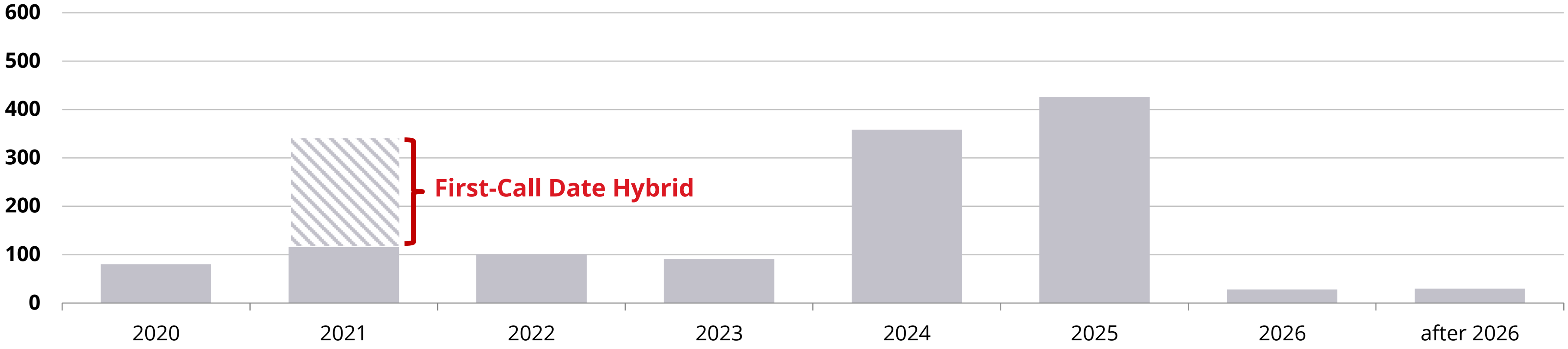
Maturity profile
in € mn



- **Cash 30/6/2020:** € 414 mn
- **Credit lines:** € 400 mn
  thereof drawn as per 30/6/2020: € 40 mn

Outlook

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Outlook 2020

Increased guidance after solid July

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ASSUMPTIONS	› **No further lockdowns** in our markets › Current **visibility still limited, but improved with solid July trading** › **Market declines** up to 10% in 2020 across the Group (vs. previously -15%) › **Price increases** holding up as **planned** › **Fast Forward will contribute approx. € 30 mn for FY 2020**
EBITDA LFL	› **€ 480 - 500 mn** 1) (vs. previously € 460 - 480 mn)
MAINTENANCE CAPEX	› **€ 120 - 140 mn**

For H2 2020 we will increase investment into the business to drive growth through sustainability, innovation and digitalization. In addition, we continue to work on our attractive M&A deal pipeline

1) Contributions from the sale of assets, FX effects, changes in consolidation range and costs for structural adjustments not considered

Outlook 2020

Low visibility for H2 but positive macro trends

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2020	2020+

- **Green Deal still on track** with focus on climate neutrality, transition to circular economy etc.
- Within the **renovation initiative of the Green Deal**, funds of up to € 350 bn available

EU Green Deal

EU Recovery Plan

- **New recovery plan** for Europe to help repair the economic and social damage caused by Covid-19 will boost infrastructure spend
- Construction industry is **supported** by local governments to secure employment and provide affordable living

Wienerberger is well-positioned to benefit from these developments with its exposure to <u>renovation</u> and <u>infrastructure</u> solutions

Study in Belgium

Renovation offers significant benefits

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Significant benefits for renovating the building envelope (facade, roof & insulation)

- accounts for **66% of the value increase** vs. **45% of the renovation costs**
- **increases** the **energy performance**
- leads to **complying with EU regulation** "Energy Performance for Buildings"

Wienerberger Building Solutions

30% renovation | 70% new build

We are well positioned to benefit from the EU Green Deal

Strengthened Managing Board team to drive future growth

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Heimo Scheuch
as CEO is responsible for the strategic and operational development of the company

Carlo Crosetto
as CFO will take over the responsibilities of the Chief Performance Officer role
As of July 1st 2020

Solveig Menard-Galli
moves to new role as Chief Operating Officer (COO) for Wienerberger Building Solutions
As of July 1st 2020

Harald Schwarzmayr
becomes COO for Wienerberger Piping Solutions
As of July 1st 2020

Allows us to move even closer to our customers, increasing our responsiveness and reinforcing our innovative strength

We will further optimize our portfolio and take an active role in consolidating the industry

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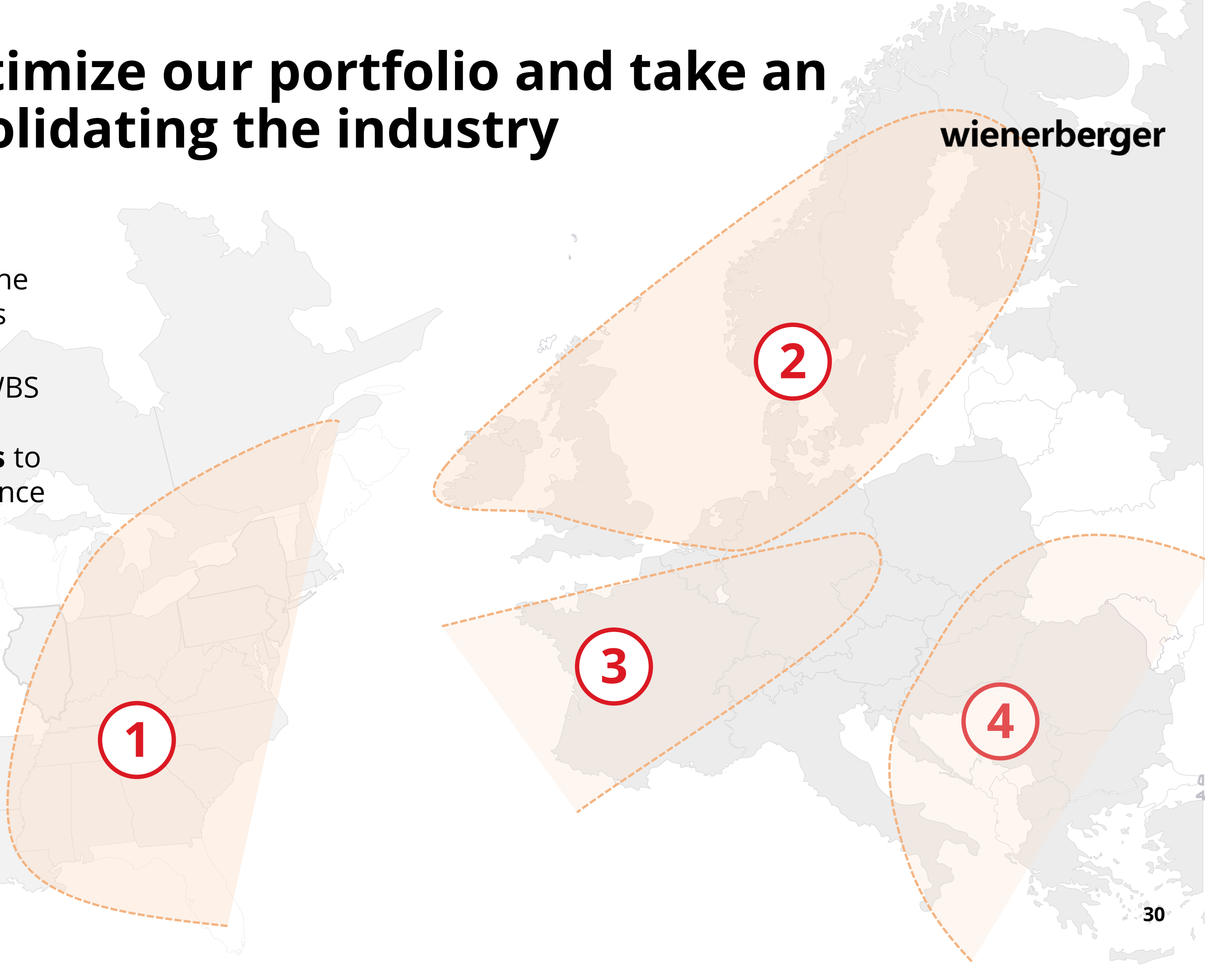
1. Potential to further **grow and strengthen our position** in the North American brick markets
2. Build on strong positions in WBS and WPS **with adjacent products and new materials** to increase our system competence
3. **Optimize weaker market positions in** GER and FR roof and piping markets
4. Build on strong WBS position to **further expand the portfolio with adjacent products and piping solutions in CEE**



North America: Strong commitment to further grow in strategic markets

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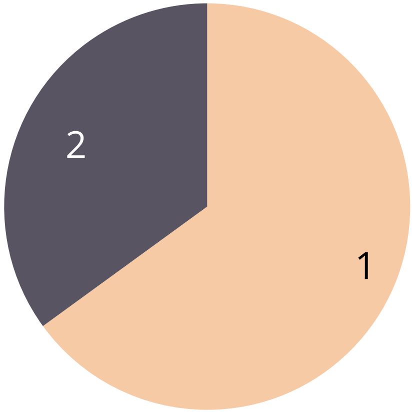
Underlying market trends

- Housing start level still below long-term average of 1.5 million
- Despite Covid-19 damper, **positive housing permit development**

Strategic rationale for further growth

- **Strengthen** Wienerberger **position** in US fragmented brick market to
  - **Act as a market leader**
  - **Drive innovation** and **digitalization** in the industry

Structure of US brick industry



1 **~ 65% attributable to four major players**

2 **~ 35% attributable to more than 20 small competitors**

WPS: Enhance system competence for infrastructure solutions and widen in-house portfolio

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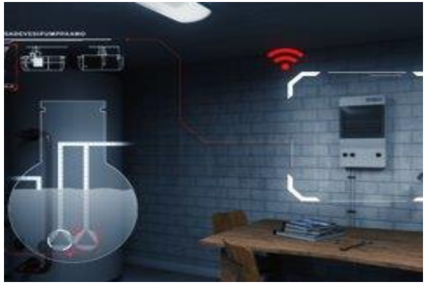
Underlying market trends

- Need for **improved water and energy management in Europe**
- **EU recovery deal** committing to increased infrastructure spend
- **Urbanization** and **shortage of skilled labor**

Strategic rationale for further growth

- Establish **commanding positions** towards our customers in all markets
- Enhance **system competence** for **infrastructure solutions** with adjacent products
- Widening **higher-margin inhouse portfolio** towards system specification and prefabrication



WBS: Expanding the share of the value chain with consolidation and adjacent products

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Underlying market trends

EU

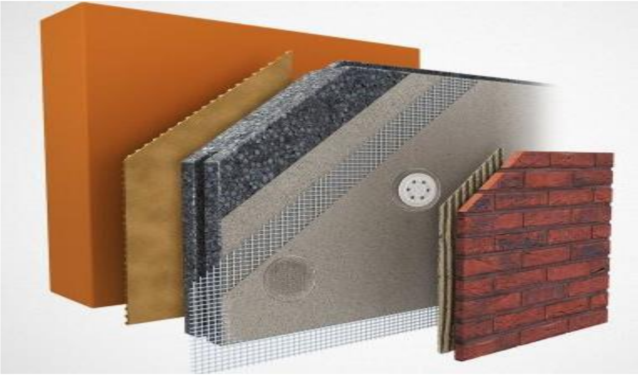
- All housing markets **still below pre-financial crisis level**
- **Green Deal will drive renovation wave** for old housing stock

UK

- Strong commitment to use **construction to help rebuild the economy**
- **Prolongation of „help to buy“ program** to 2023 and Launch of green Homes Grant to improve energy efficiency of buildings and announcement of “**New Deal for Britain”**

Strategic rationale for further growth

- Further grow in markets with weaker position to **act as a leader and drive innovation**
- Enhance **system competence** with adjacent products



Key sustainability topics show significant potential to further improve ESG performance

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Decarbonization

Wienerberger will make sure that all of its products during their lifecycle will positively contribute to decarbonization and decrease the Group's carbon footprint

Encourage Circular Economy

Wienerberger commits to resource efficiency as well as to the implementation of the circular economy and will take all necessary steps to ensure that all products produced by Wienerberger are fully recyclable

Preserve Biodiversity

Wienerberger commits to and actively preserves biodiversity and will undertake all actions to contribute positively in order to increase biodiversity in the regions where Wienerberger is active

Our **Sustainability program 2020+** also fully supports the **European Green Deal**

Clear capital allocation priorities

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Capital Allocation

Returning capital to shareholders

Distribution of **20-40% of free cash flow** by means of a progressive **dividend & share buybacks**

CAPEX

Mandatory investments

- **Maintenance capex** of approx. € 120-140 mn p.a.
- **ESG capex** to further drive sustainability strategy

Discretionary investments

- **Special capex** for innovation, digitalization and Fast Forward projects
- **M&A** transactions

Balance sheet management

Clear target for financial discipline:

$$\frac{\textbf{Net debt}}{\textbf{EBITDA}}$$

< 2,5x [1]

1) Measured at year-end

Wienerberger builds on a strong foundation and is well positioned for further growth

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Building on 200+ years of experience

- Long-lasting and energy efficient product portfolio, well positioned to benefit from **renovation wave** and **infrastructure spend**
- **Strengthened Managing Board** to drive future growth
- **Strong balance sheet** and improved financing structure
- Strong track record of delivering **continuous improvement measures** and financial targets
- Strong history of **highly value-generating M&A deals** and promising deal pipeline in place
- Pioneer in shaping the **digital transformation** in construction and infrastructure
- **Frontrunner in ESG** with sustainability strategy 2020+

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