Wienerberger Results H1 2020
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The outbreak of the Covid-19 pandemic

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

Wienerberger performance: -23% revenue ¹)

¹) Group revenue month-on-month change compared to 2019
Capacity measures
May 2020

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

Overview of Wienerberger plant shut downs and capacity adjustments during lockdowns

Wienerberger performance:
+4% revenue

1) Group revenue month-on-month change compared to 2019
H1 2020
Resilient performance despite Covid-19

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

<table>
<thead>
<tr>
<th></th>
<th>H1 2020</th>
<th>vs.</th>
<th>H1 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maintenance capex</strong></td>
<td>Necessary spend</td>
<td>€ 46 mn</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Special capex</strong></td>
<td>Reduced to minimum</td>
<td>€ 22 mn</td>
<td>-39%</td>
</tr>
<tr>
<td><strong>M&amp;A</strong></td>
<td>All projects were put on hold</td>
<td>€ 2 mn</td>
<td>-94%</td>
</tr>
</tbody>
</table>

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

Strong liquidity
Approx. € 800 mn of cash and undrawn credit facilities¹)

Robust balance sheet
Net debt of 1.6x¹)
EBITDA

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

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

- 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
Improved operating leverage leads to robust performance

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

<table>
<thead>
<tr>
<th>in € mn</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>External revenues</td>
<td>1,014.4</td>
<td>1,074.1</td>
<td>-6</td>
</tr>
<tr>
<td>EBITDA LFL</td>
<td>183.9</td>
<td>219.6</td>
<td>-16</td>
</tr>
<tr>
<td>EBITDA</td>
<td>191.0</td>
<td>221.7</td>
<td>-14</td>
</tr>
<tr>
<td>EBITDA LFL Margin</td>
<td>18.5%</td>
<td>20.4%</td>
<td>-</td>
</tr>
</tbody>
</table>
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

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

<table>
<thead>
<tr>
<th>in € mn</th>
<th>H1 2020</th>
<th>H1 2019</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>External revenues</td>
<td>154.9</td>
<td>164.9</td>
<td>-6</td>
</tr>
<tr>
<td>EBITDA LFL</td>
<td>16.3</td>
<td>19.3</td>
<td>-16</td>
</tr>
<tr>
<td>EBITDA</td>
<td>17.4</td>
<td>22.8</td>
<td>-24</td>
</tr>
<tr>
<td>EBITDA LFL Margin</td>
<td>10.8%</td>
<td>11.7%</td>
<td>-</td>
</tr>
</tbody>
</table>
Financial Results H1 2020
## H1 2020

### Resilient results despite Covid-19

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>EBITDA LFL ¹)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ 1,641.5 mn</td>
<td>€ 255.2 mn</td>
</tr>
<tr>
<td>(H1 2019: € 1,736.4 mn</td>
<td>-5%</td>
<td>(H1 2019: € 290.1 mn</td>
</tr>
<tr>
<td></td>
<td>Free cash flow</td>
<td>EBITDA LFL margin ¹)</td>
</tr>
<tr>
<td></td>
<td>€ -60.0 mn</td>
<td>15.7%</td>
</tr>
<tr>
<td>(H1 2019: € -58.5 mn</td>
<td>-3%</td>
<td>(H1 2019: 16.7%</td>
</tr>
</tbody>
</table>

¹) Adjusted for effects from consolidation, sale of non-core assets, FX and structural adjustments
Fast Forward 2020
We promised and will deliver

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

EBITDA Development

<table>
<thead>
<tr>
<th></th>
<th>EBITDA H1 2019 reported</th>
<th>Adjustment</th>
<th>EBITDA H1 2019 basis</th>
<th>EBITDA H1 2020 reported</th>
<th>Adjustment</th>
<th>EBITDA H1 LFL 2020 LFL -12%</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA H1 2019 reported</td>
<td>295.7</td>
<td>-5.6</td>
<td>290.1</td>
<td>261.9</td>
<td>-6.7</td>
<td>255.2</td>
</tr>
</tbody>
</table>

**Note:** Rounding differences may arise from automatic processing of data.

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**EBITDA adjustments**

<table>
<thead>
<tr>
<th></th>
<th>1-6/2020</th>
<th>1-6/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA reported</td>
<td>261.9</td>
<td>295.7</td>
</tr>
<tr>
<td>FX</td>
<td>3.6</td>
<td>-</td>
</tr>
<tr>
<td>Consolidation</td>
<td>-4.2</td>
<td>-3.1</td>
</tr>
<tr>
<td>Sale of assets 2)</td>
<td>-10.2</td>
<td>-3.2</td>
</tr>
<tr>
<td>Structural adjustments 3)</td>
<td>4.2</td>
<td>0.7</td>
</tr>
<tr>
<td>Total adjustment</td>
<td>-6.7</td>
<td>-5.6</td>
</tr>
<tr>
<td>EBITDA LFL</td>
<td>255.2</td>
<td>290.1</td>
</tr>
</tbody>
</table>

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
## Income statement

<table>
<thead>
<tr>
<th></th>
<th>1-6/2020</th>
<th>1-6/2019</th>
<th>Chg. in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>1,641.5</td>
<td>1,736.4</td>
<td>-5</td>
</tr>
<tr>
<td><strong>EBITDA LFL</strong></td>
<td>255.2</td>
<td>290.1</td>
<td>-12</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>261.9</td>
<td>295.7</td>
<td>-11</td>
</tr>
<tr>
<td><strong>Operating EBIT</strong></td>
<td>136.5</td>
<td>181.5</td>
<td>-25</td>
</tr>
<tr>
<td>Impairment charges to assets</td>
<td>-23.3</td>
<td>0.0</td>
<td>&gt;-100</td>
</tr>
<tr>
<td>Impairment charges to goodwill</td>
<td>-93.5</td>
<td>0.0</td>
<td>&gt;-100</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>19.7</td>
<td>181.5</td>
<td>-89</td>
</tr>
<tr>
<td>Financial result</td>
<td>-11.1</td>
<td>-14.8</td>
<td>25</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>8.6</td>
<td>166.7</td>
<td>-95</td>
</tr>
<tr>
<td>Income taxes</td>
<td>-32.2</td>
<td>-32.9</td>
<td>2</td>
</tr>
<tr>
<td>Profit/loss after tax</td>
<td>-23.6</td>
<td>133.8</td>
<td>&gt;-100</td>
</tr>
<tr>
<td>Hybrid coupon and non-controlling interests</td>
<td>5.9</td>
<td>6.9</td>
<td>-14</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>-29.4</td>
<td>126.9</td>
<td>&gt;-100</td>
</tr>
</tbody>
</table>

**Note:** Rounding differences may arise from automatic processing of data

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

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

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

Inventory level in € mn

30.06.2020: 793
30.06.2019: 821

Note: Rounding differences may arise from automatic processing of data
### Sound balance sheet ratios despite Covid-19 impact

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity 1)</td>
<td>1,875.6</td>
<td>1,980.4</td>
<td>-</td>
<td>2,076.8</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>43.0%</td>
<td>48.6%</td>
<td>-</td>
<td>50.3%</td>
</tr>
<tr>
<td>Net debt</td>
<td>928.2</td>
<td>982.3</td>
<td>-6%</td>
<td>871.4</td>
</tr>
<tr>
<td>Net debt / EBITDA 2)</td>
<td>1.6</td>
<td>1.8</td>
<td>-</td>
<td>1.4</td>
</tr>
<tr>
<td>Gearing</td>
<td>49.5%</td>
<td>49.6%</td>
<td>-</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

- **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

Net debt development in € mn

Note: Rounding differences may arise from automatic processing of data
Balanced financing structure as basis for further growth

Maturity profile in € mn

Cash 30/6/2020: € 414 mn

Credit lines: € 400 mn
thereof drawn as per 30/6/2020: € 40 mn
Outlook
Outlook 2020
Increased guidance after solid July

**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

- **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

- **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 renovation and infrastructure solutions
Study in Belgium
Renovation offers significant benefits

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

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.

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

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

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

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

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

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:

<table>
<thead>
<tr>
<th>Net debt</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 2,5x 1)</td>
<td></td>
</tr>
</tbody>
</table>

1) Measured at year-end
Wienerberger builds on a strong foundation and is well positioned for further growth

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+
wienerberger