



Acquisition of Meridian Brick

18 December, 2020

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Cautionary note regarding forward-looking statements

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Wienerberger is taking a historic value-creating growth step

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- ✓ **More than double** our revenue in North America, **creating a new leader** for masonry solutions in key regions
- ✓ **Drive further consolidation** in North American brick market and **enhance our product portfolio for our customers**
- ✓ Generate **strong EBITDA enhancement, including significant synergies**
- ✓ Continue our **strong focus on ESG, innovation and digitalization**

Delivering on our Group strategy to strengthen our market position in North America

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Excellent strategic fit for Wienerberger

Largest manufacturer of clay facade solutions by capacity in North America

Highly complementary product portfolio and production footprint

Operating **20 brick plants** in key regions, **well invested asset base**

Strong position in **Texas**, the US state with the **greatest brick usage**

Adds ~\$ 400 mn of revenues to the North American Business unit

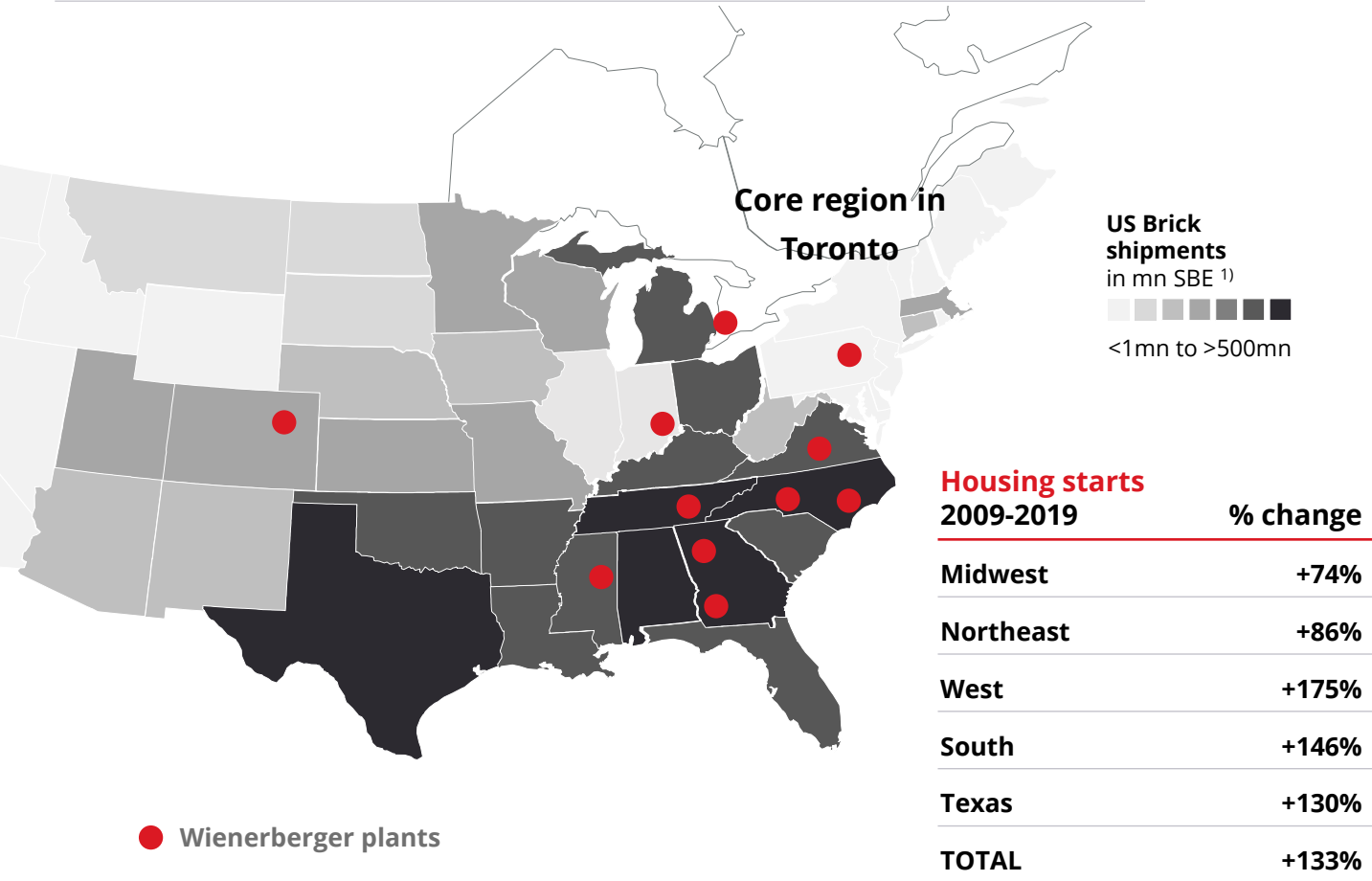
>> Becoming #1 masonry solutions provider in our key regions

Wienerberger footprint

Today: strong footprint in growing regions

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Ideal industrial set-up in core brick regions



Strong market fundamentals

- > Already present in **core brick regions** in US and Canada
- > **Brick** is a **preferred siding material with usage > 30%**
- > **Strong recovery** of Housing activities expected to continue
- > **Region South** accounts for **> 50% of total US housing starts**

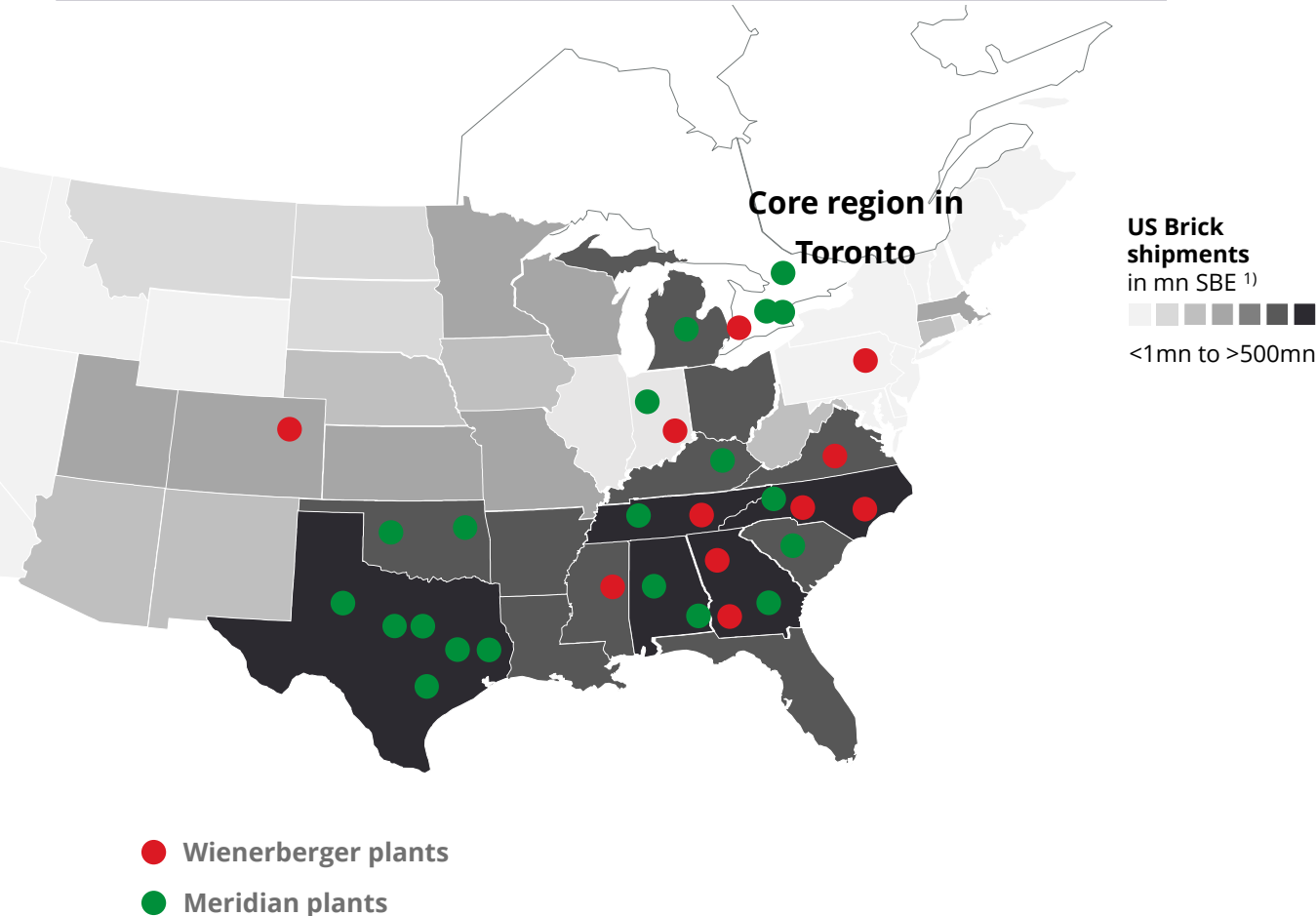


Excellent momentum for further growth steps

¹⁾ SBE: Standard Brick Equivalent
Source: Brick Industry Association (BIA) Survey, BIA BIDS, Industry Insights assessment and estimations

Creating a new #1 in core regions

Wienerberger + Meridian = a new leader



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Source: Brick Industry Association (BIA) Survey, BIA BIDS, Industry Insights assessment and estimations

Strengthening our competitive position

- > Leading provider for masonry solutions in US core regions
- > Expansion to Texas, the largest brick-consuming state in the US
- > Leading supplier of masonry solutions in Ontario, Canada's #1 brick region

Highly complementary footprint leading to great synergy potential

Significant synergy potential



Plant network optimization



Reduced overhead costs



Streamlined & optimized commercial strategy *(e.g. rebranding, route to market)*



Lean back office structure

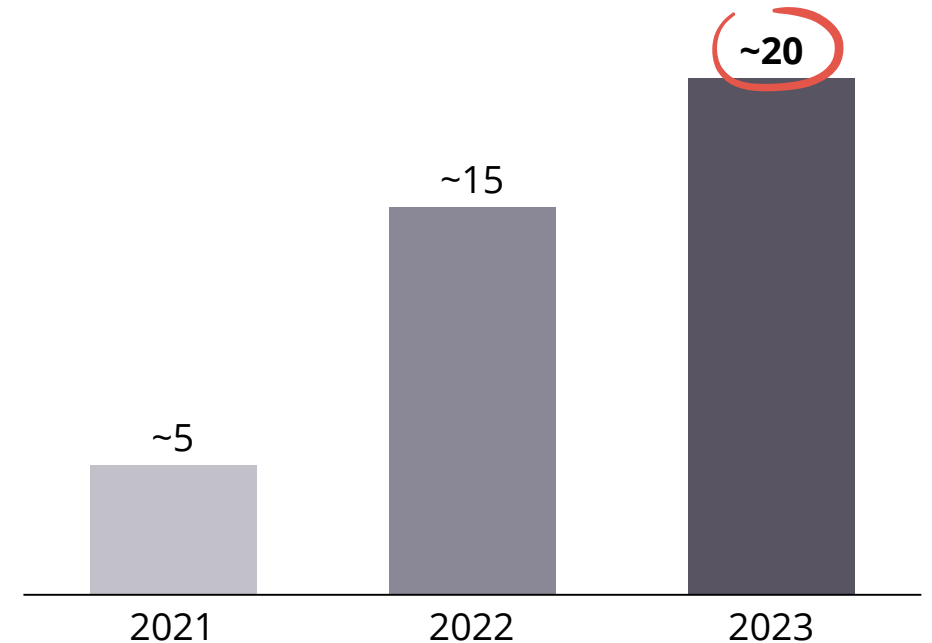


Improved ESG performance
(e.g. improved utilization rates and less GHG emissions)

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Expected annual synergies

EBITDA impact, \$ mn



**Expected run-rate synergies of
\$ 20mn by 2023**

Commercial segment as new growth platform for thin brick/panel solutions

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Three key end markets:

1 RESIDENTIAL NEW BUILD

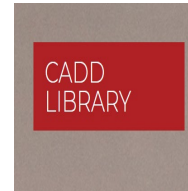


Facing bricks

Thin bricks

Webshop

2 COMMERCIAL



Facing bricks

Panelization
(clip systems)

Detail system
to aid design
professionals

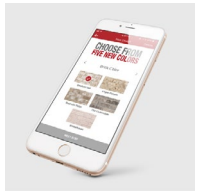
3 RENOVATION



Thin
bricks



DIY
channels



My designs
visualizer app

- › **Creating North America's top facing brick** producer, offering a wide range of colors and textures for residential and commercial
- › Strengthened exposure to commercial segment with big potential for easy to install **Thin Clads and Panelization systems**
- › Leading supplier for **Thin Brick Solutions** in North America, further growing the renovation segment
- › **Strengthened solutions offering with complementary products** (e.g. mortar, adhesives, steel, stone, stucco)
→ ~ **1/3 of total Meridian revenues** are complements
- › **Digital tools** targeting end customers (e.g. webshop, visualizer apps, DIY Videos, CADD library for design professionals)

Leveraging our know-how and competencies to become stronger and more competitive

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New regional leader of masonry solutions with strong focus on ESG, innovation and digitalization



Enhance competitiveness

- › Solution-driven and customer-centric approach
- › Build on strong production and cost management know how to leverage significant synergies



Building on strong regional footprint

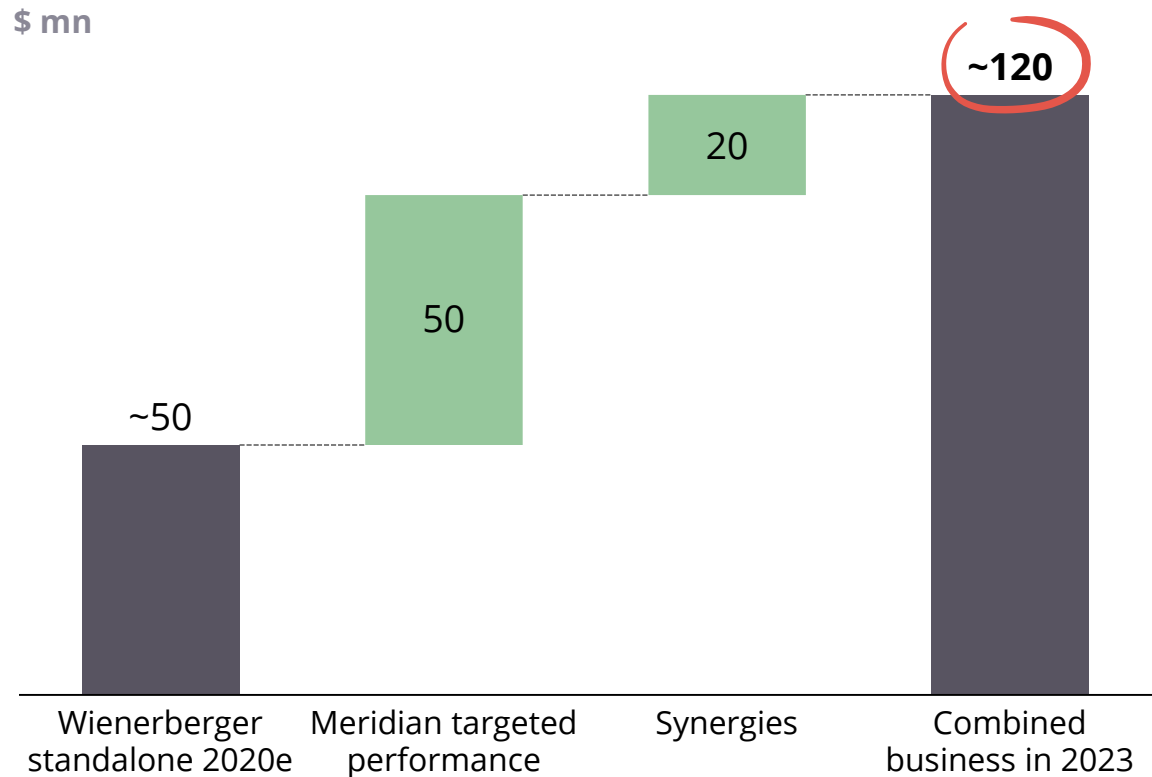
- › Meridian's technological know how and strong industrial set-up in key markets
- › Highly complementary, innovative product portfolio

- › Establish **highly efficient production and logistical processes**
- › Expand our **solutions-driven customer approach** through substantial R&D and innovation/digitalization efforts
- › Build on **strong local brands** and local value creation
- › **Transparent ESG targets** with a positive impact on climate change

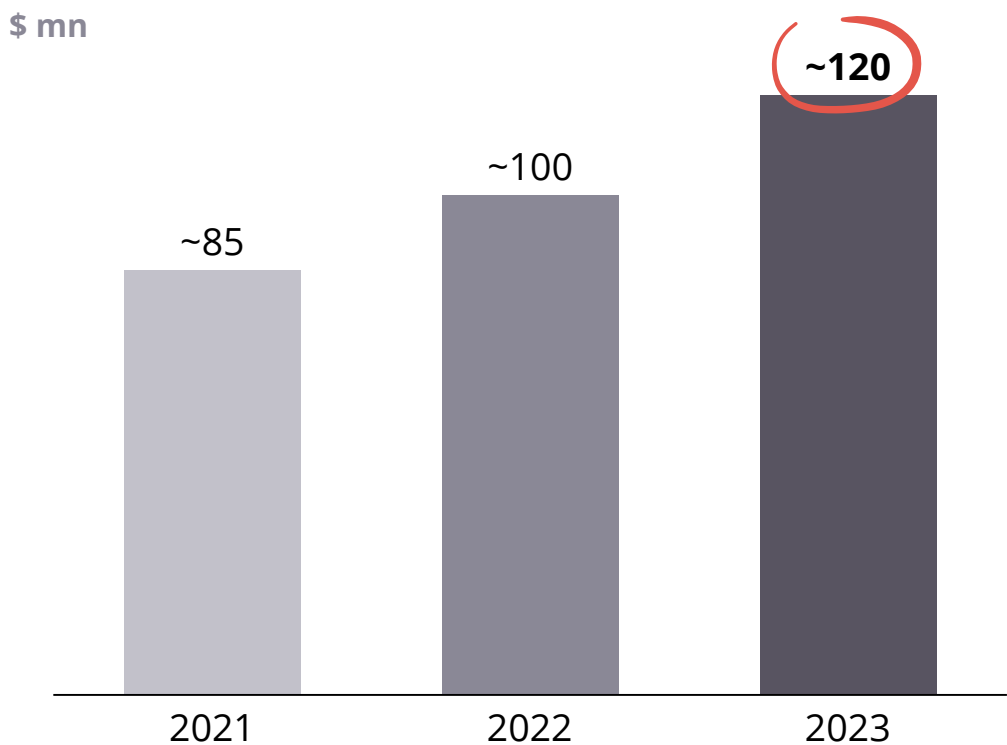
Significant step-up of financial performance

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Operating EBITDA potential of combined business in flat market environment by 2023



Expected operating EBITDA phasing of combined business in flat market environment



Financial implications of the transaction for the Business Unit North America

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REVENUE	<ul style="list-style-type: none">› Double North America revenues to roughly \$ >800mn as immediate benefit
EBITDA AND SYNERGIES	<ul style="list-style-type: none">› Total run-rate synergy potential \$ 20mn› Fully synergized EBITDA after three years \$ 120mn
SALE OF NON-OPERATING ASSETS	<ul style="list-style-type: none">› Additional proceeds from the sale of non-operating assets in the amount of up to \$ 60mn are envisaged
RESTRUCTURING	<ul style="list-style-type: none">› One-off cash costs of \$ 10mn expected in the first year
PURCHASE PRICE	<ul style="list-style-type: none">› \$ 250mn purchase price› No goodwill
DEAL FINANCING	<ul style="list-style-type: none">› Financing via existing credit lines› Robust Group liquidity position and financial leverage ~2.0 x at year end 2020

» Attractive synergized EV/EBITDA-multiple of (< 5x) after three years

Acquisition of Meridian Brick – a perfect strategic fit to expand and strengthen our business in North America

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Building on 200+
years of experience



Creation of a **new leader of masonry solutions** with **strong focus on ESG, innovation and digitalization**



Leading in core **US and Canadian brick regions** with strong local brands and local value creation



Strong EBITDA enhancement through synergies leading to further value creation in the Business Unit



Deliver on group-wide ESG goals of Decarbonization, Circular Economy and Biodiversity