



Acquisition of Meridian Brick 18 December, 2020

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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

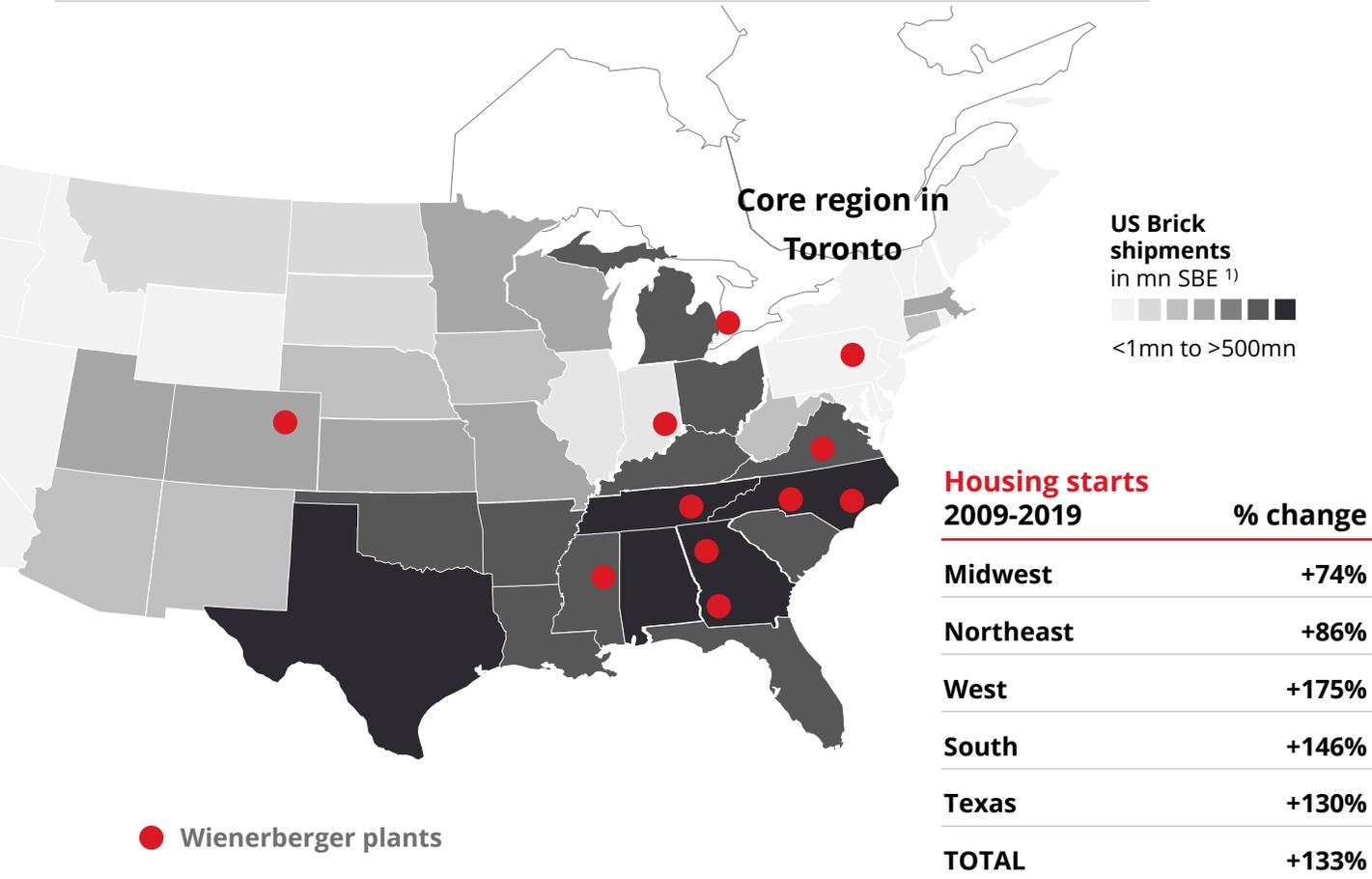
»» Becoming #1 masonry solutions provider in our key regions

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

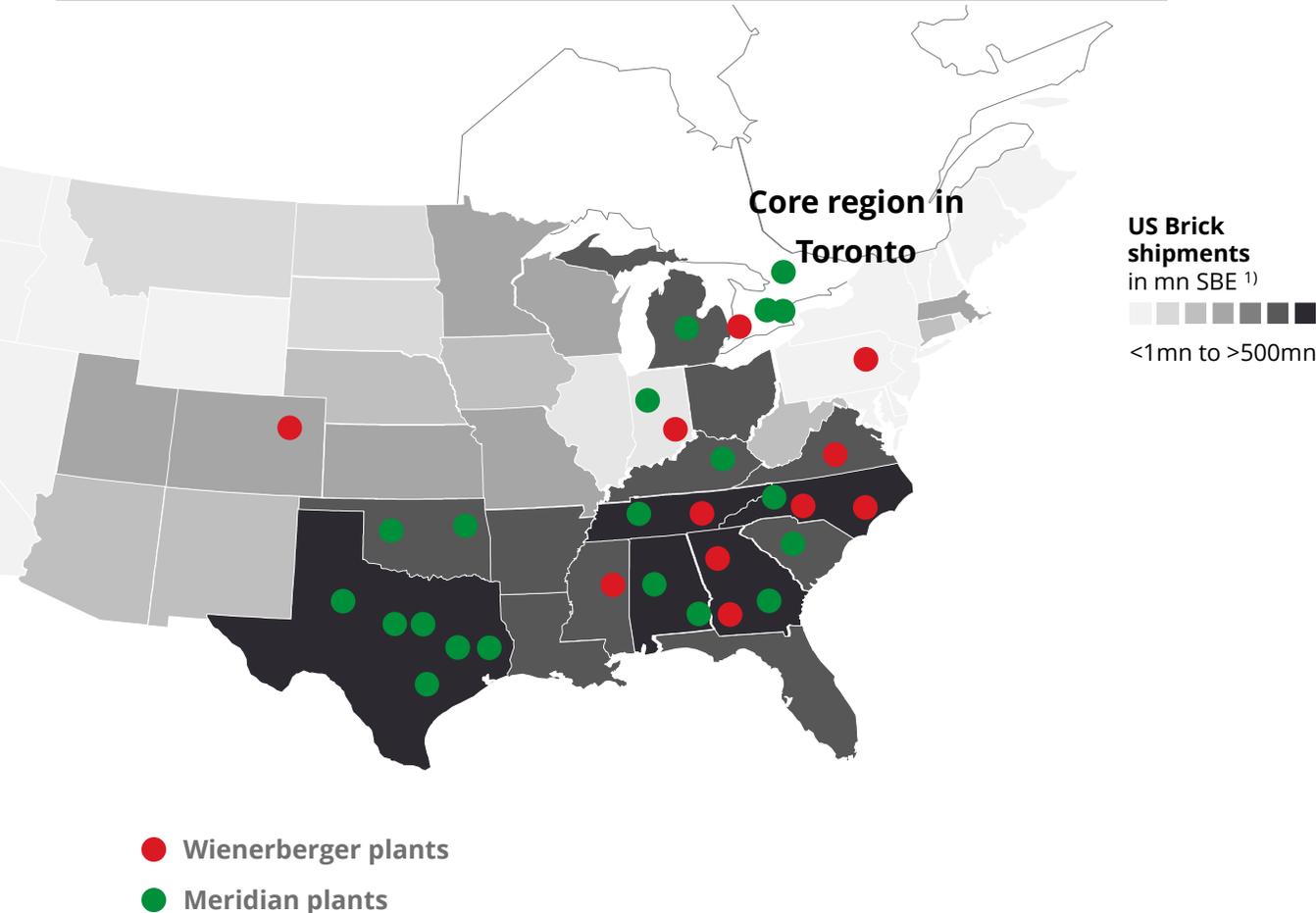
¹⁾ SBE: Standard Brick Equivalent

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

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

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

Significant synergy potential



Plant network optimization



Reduced overhead costs



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



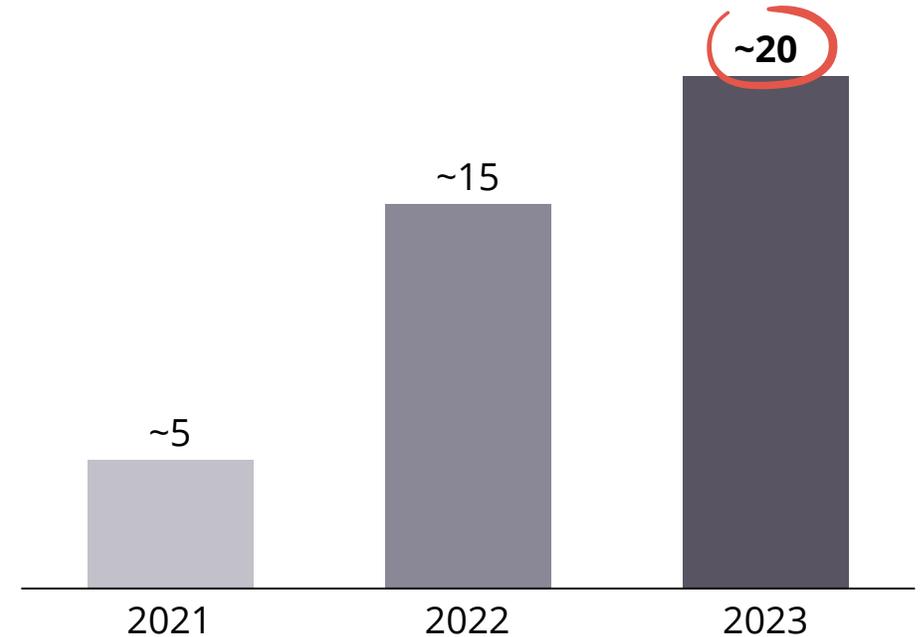
Lean back office structure



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

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

Three key end markets:

1 RESIDENTIAL NEW BUILD



MOST POPULAR PRODUCTS



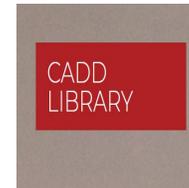
SHADOW GREY TUDOR GRAYSBURG



NOTTINGHAM TUDOR 6042 MT. RAINIER KINGSIZE

Facing bricks Thin bricks Webshop

2 COMMERCIAL



Detail system to aid design professionals

Facing bricks Panelization (clip systems)

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

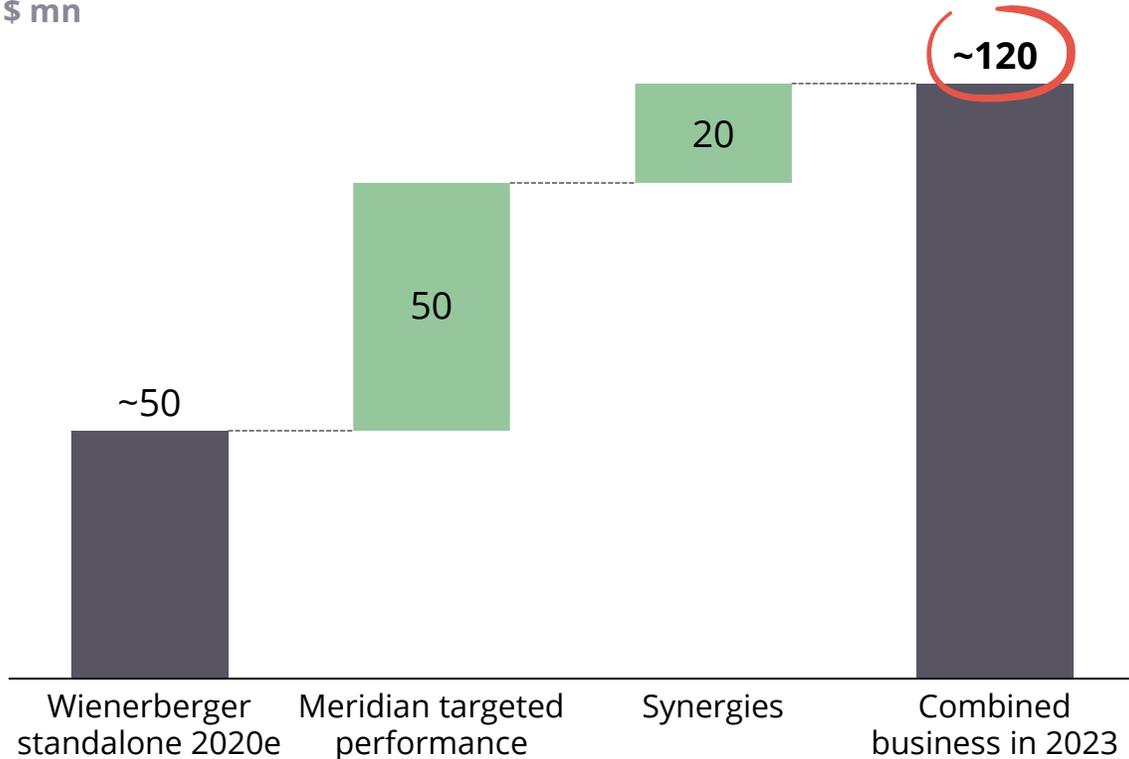
Executive summary: Acquisition of Meridian Brick

Significant step-up of financial performance

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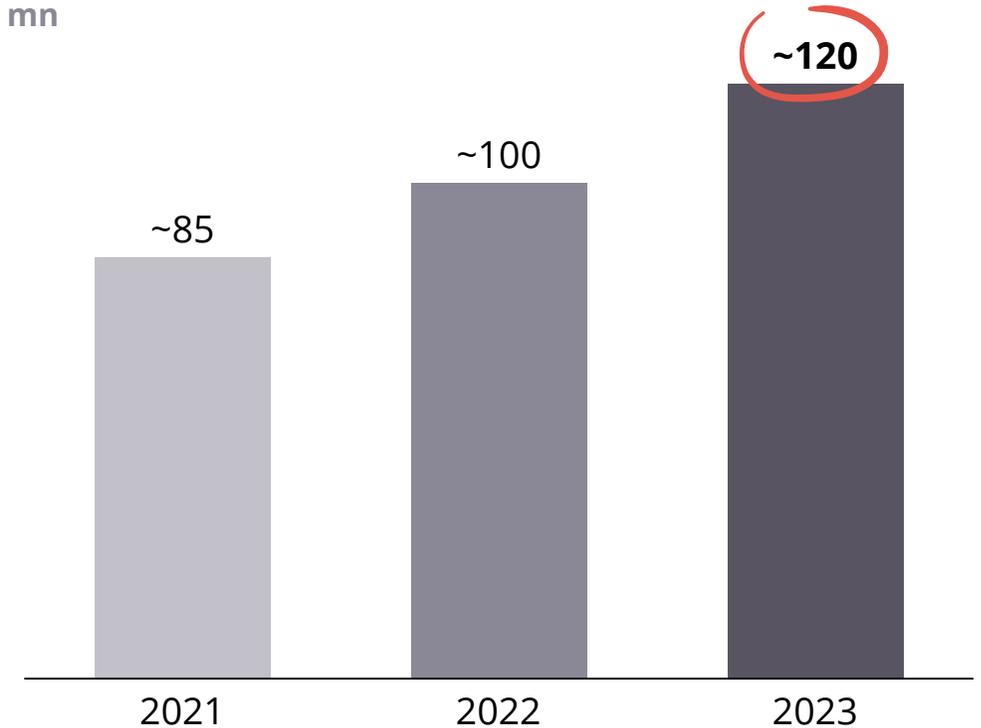
Operating EBITDA potential of combined business in flat market environment by 2023

\$ mn



Expected operating EBITDA phasing of combined business in flat market environment

\$ mn



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