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Wienerberger Capital Markets Day

Strong Foundations for Sustainable Growth

September 29, 2020

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Our speakers today

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Heimo Scheuch
Chief Executive Officer



Peter Johnson
Chairman Supervisory Board



Peter Steiner
1st VC Supervisory Board

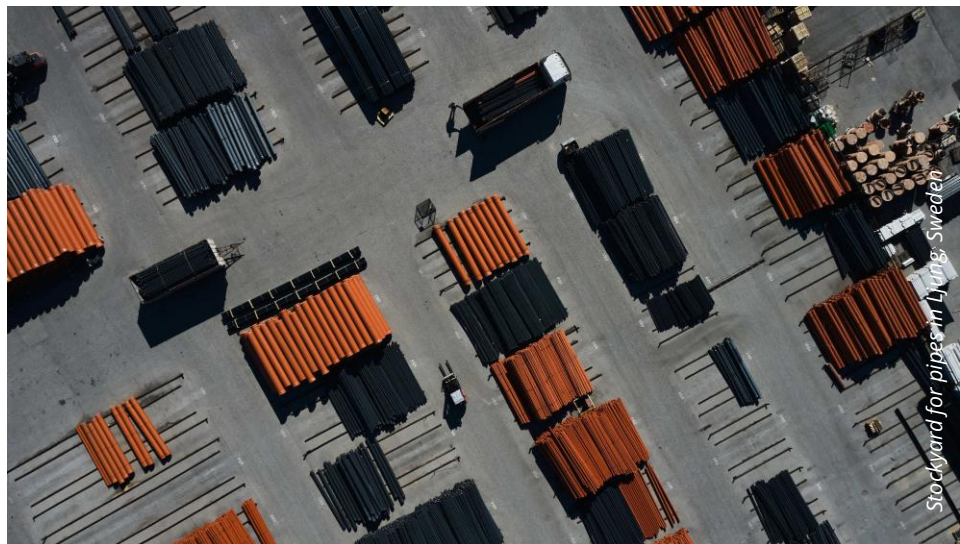
**Strategy Update and
Outlook**

**Corporate
Governance**

**Remuneration
Update**



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Stockyard for pipes in Lyng, Sweden

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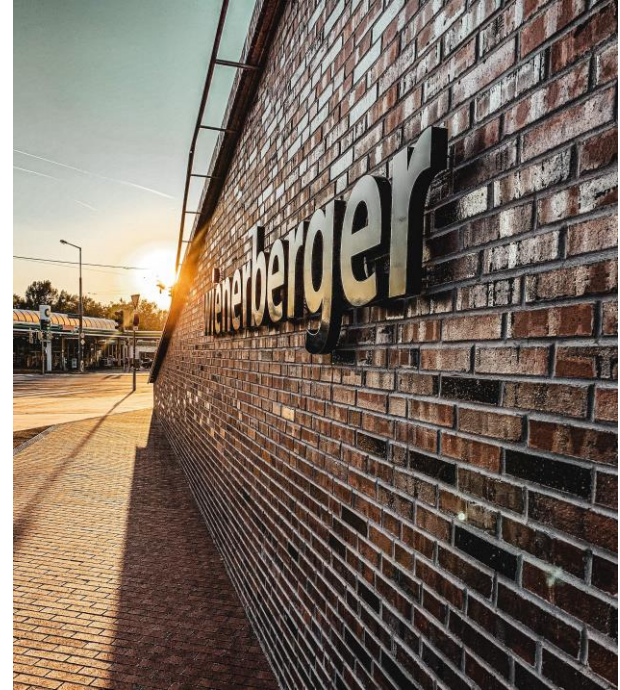
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Wienerberger today

Resilient, diversified and innovative

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- 1 INNOVATIVE SYSTEM SOLUTIONS**
- 2 BALANCED PORTFOLIO WITH DIVERSIFIED END MARKETS**
- 3 IMPROVED VALUE CREATION VIA PERFORMANCE ENHANCEMENT**
- 4 RESILIENT BUSINESS MODEL**



1 Wienerberger today Transformation to a system solutions provider

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Focused on system solutions

The old Wienerberger

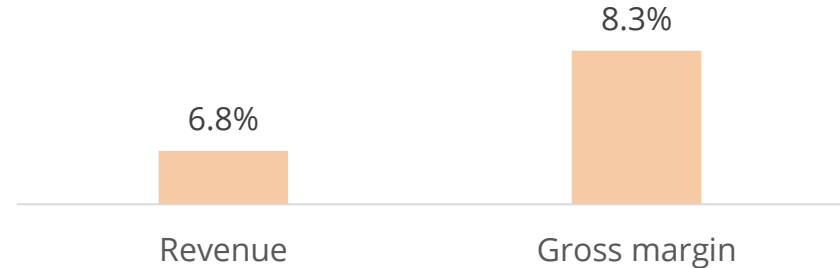
- > **Volume driven** and **production focused** manufacturer of commodity products

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- > **Innovation driven** and **customer centric** provider of **system solutions** enhanced by **digital services**

Innovation focus triggers gross margin growth over revenue growth

CAGR 2011-2019 ¹⁾, %

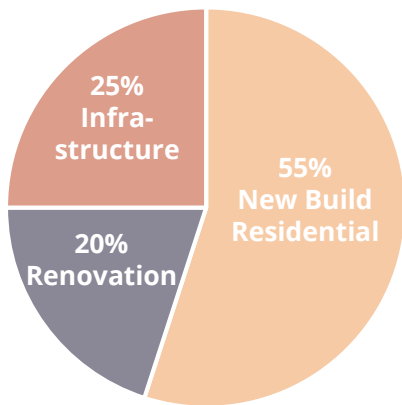


Innovative products **strengthen our market position** and **drive gross margin expansion**

1) Compound annual growth rate between 2011-2019

Balanced portfolio with diversified end market exposure and enhanced resilience

Diversified end markets



Broad geographic exposure

Operating **200 plants**
in **30 countries**

REVENUE SHARE ¹⁾

80% Europe
10% UK
10% North America

1) 2019 revenue split

Significantly **enhanced business resilience** due to
broadened market exposure and **balanced business portfolio**

3 Wienerberger today Improved value creation

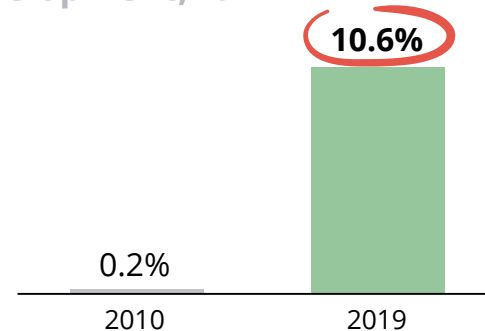
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Clear measures

- › Optimization of internal **processes** and **organizational structure**
- › Improved **pricing** strategy and **product mix**
- › **Strengthened industrial setup**

Significantly improved Return on Capital

ROCE¹⁾ development, %



Continuous focus on **performance enhancement** leading to **significantly improved value creation** and **return for shareholders**

1) ROCE = NOPAT / average capital employed

4

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Enhanced cash generation and robust balance sheet prove strength also in challenging times

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STRONG OPERATING CASH FLOW



H1 2020: € 34.6 mn
H1 2019: € 5.2 mn

RESILIENT EBITDA MARGIN



H1 2020: 16.0%
H1 2019: 17.0%

ROBUST BALANCE SHEET



Net debt
————— = 1.6x¹⁾
EBITDA

EFFICIENT WORKING CAPITAL MANAGEMENT



Working capital
————— = 16.9%²⁾
Revenues

1) Figure as at 31/6/2020 // 2) Figure as at 31/12/2019

Covid-19 update

Q3 stronger than expected

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Developments in Q3 2020

- › **Wienerberger Q3** performance better than expected due to
 - › price increases to cover cost inflation
 - › positive impact of performance enhancement measures
- › **Volume** declines, especially in WBS, mostly compensated



EBITDA LFL for 2020 expected to reach upper range of guidance
€ 480 - 500 mn

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Exceptional 10 year track record

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Building on
>200 years
of experience



Ambitious 2020 earnings target of € 600 mn achieved one year ahead: **2019 EBITDA reported € 610 mn**



2020 target for asset disposals already achieved: **€ 150 mn value generated through asset disposals**



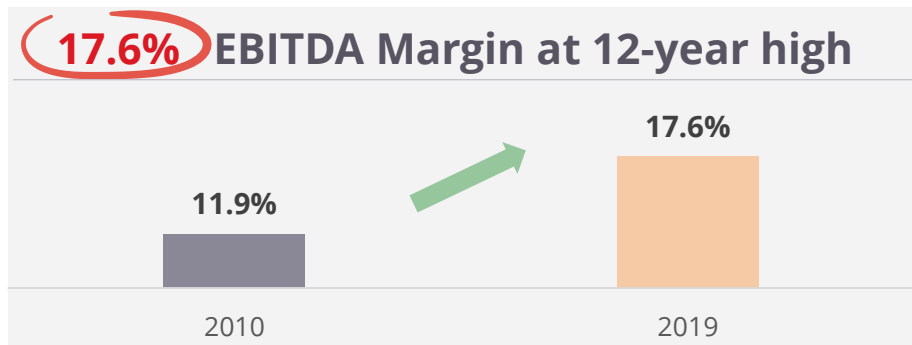
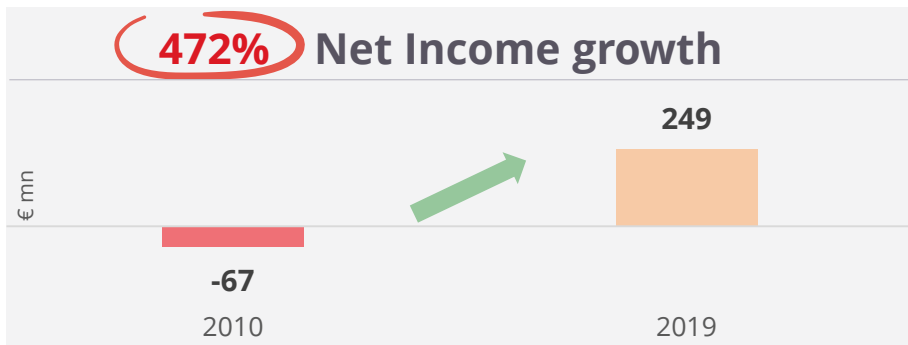
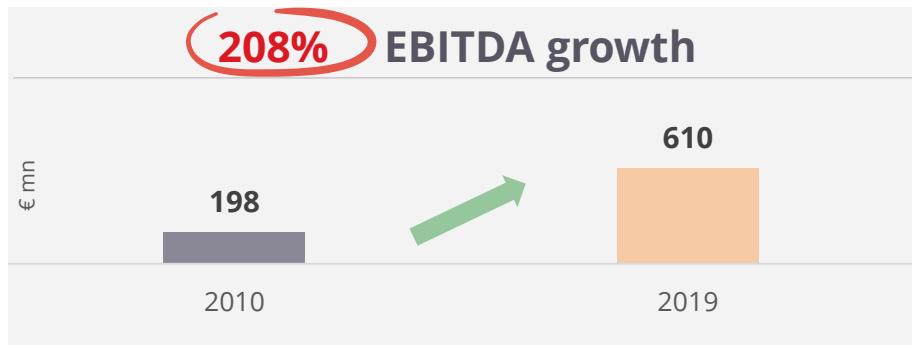
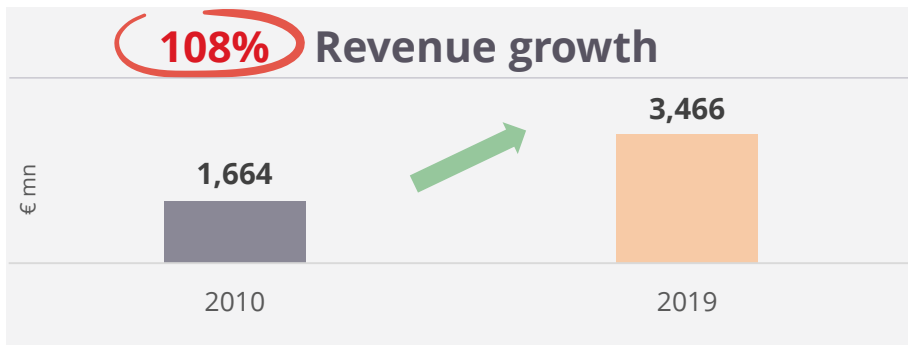
Significantly **improved financial leverage from 2.6x to 1.4x Net Debt/EBITDA¹⁾**



Earnings enhancement through Operational Excellence: fully on track with **Fast Forward to deliver € 120 mn EBITDA improvement**

1) For the period 31/12/2009 – 31/12/2019

Turnaround reflected in strong financial performance



At Wienerberger, sustainability is integrated into our strategy and business model

We have been **reporting** on our **environmental, social and societal commitment** annually since 2009

“**Supplier Code of Conduct**” **implemented** as minimum standard for all our business partners

Newly established **Sustainability and Innovation Committee** in 2019



We support **key international initiatives:**

- › Wienerberger Social Charter complied with International Labor Organization - since 2001
- › UN Global Compact – since 2003
- › Habitat for Humanity – since 2012
- › UN Sustainable Development Goals – since 2018

















For the first time, Wienerberger opted for a sustainability-oriented form of **Green finance in 2019**



We take responsibility for a livable future – in ecological, social and economic terms

Wienerberger on the home stretch of its Sustainability Roadmap 2020

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	AREA	TARGET	ACHIEVEMENT
	EMPLOYEES	 Zero accidents	 - 6% ¹⁾
	PRODUCTS	 Achieve more than 25% of Group revenues from innovative products	 > 30% in 2019
	PRODUCTION	 Reduce energy consumption and CO ₂ emissions in WBS ceramic production by 20% until 2020	 For clay blocks  -13% by end 2019
	RECYCLABILITY	 Increase the share of recycled material per ton of plastic pipes produced	 Initial target achieved 2 years in advance
	SOCIAL RESPONSIBILITY	 Zero incidents of corruption	 Achieved in 2019

1) Accident frequency rate 2019 vs. 2018 measured in number of occupational accidents/number of hours worked x 1,000,000.



Wienerberger Strategy 2023

Wienerberger Group Strategy

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Operational Excellence

Further enhancement beyond 2020

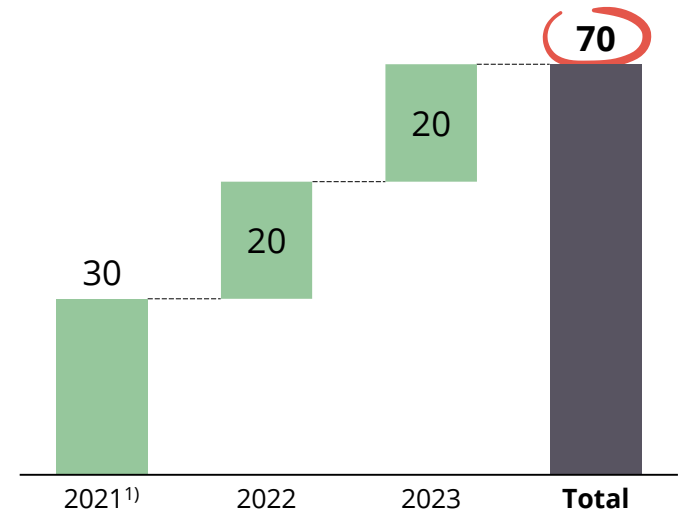
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- > **Operational Excellence** has always been part of our strategy
- > **Fast Forward methodology** to further enhance the Group's **performance is meant to stay**
- > **Further optimization measures** across the Group will be implemented after program delivery

€ 70 mn incremental EBITDA contribution to be delivered between 2021-2023

Performance Enhancement beyond Fast Forward

EBITDA contribution, € mn



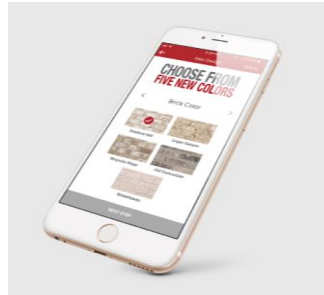
1) Includes remaining Fast Forward earnings contribution of € 20 mn

Innovation & Digitalization

Special capex investments will further support development of our innovative portfolio

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- › Continuously drive the **decarbonization and recyclability** of the product portfolio with **new product design**
- › Continue the transformation journey to a **full system provider**
- › **Expand our system solutions** with (digital) services
- › Entering into the **field of new energy solutions** (e.g. hydrogen)



Investments for innovation, digitalization and optimization

in € mn	2021	2022	2023
Special capex commitment	80	80	80

€ 45 mn incremental EBITDA contribution until 2023

Dedicated investments will further improve our ESG performance

- > Continuous **upgrade of our industrial set-up** and drive automation and specialization
- > **Roll out of existing technologies** to reduce energy demand and CO_{2e}¹⁾ emissions
- > **Build model plants with significant lower CO_{2e} footprint** due to new technologies
- > **Expand green energy sourcing across the Group**
- > **Enhance Biodiversity** across all our production sites



ESG investments for a sustainable future

in € mn	2021	2022	2023
ESG capex	60	60	60

€ 20 mn incremental EBITDA contribution until 2023

Note: no CO2 cost benefits considered

1) "Carbon dioxide equivalents" or "CO_{2e}" is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit.

Wienerberger will deliver a value creation of € >1 bn until 2023

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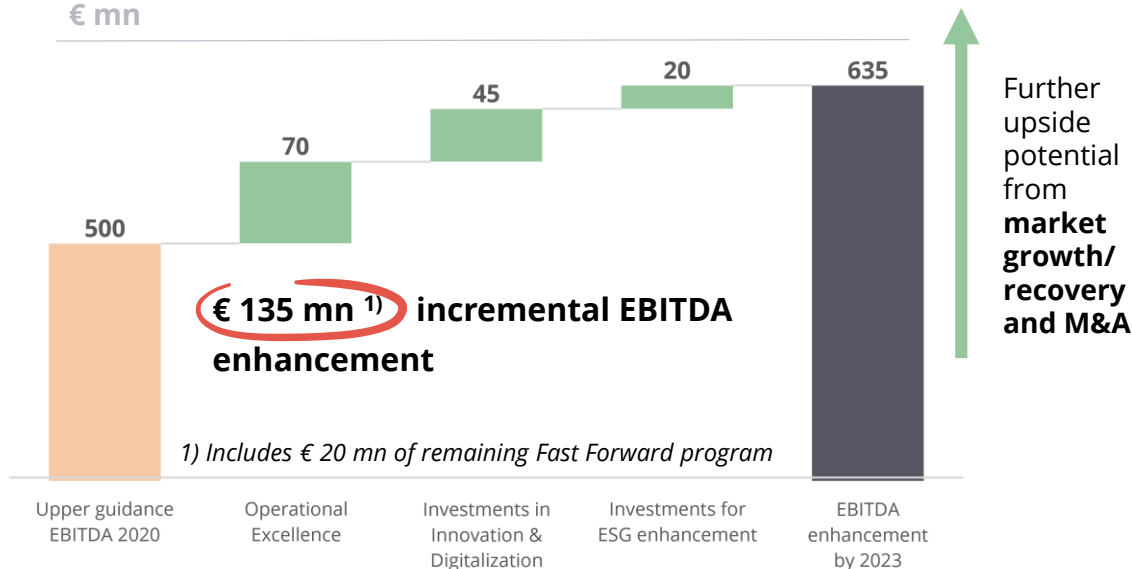
Capex allocation 2021-2023

€ mn

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

Lifting EBITDA from own strength

€ mn



Based on today's Group multiple **we will generate € >1 bn value** until 2023

We will take an active role in further consolidating the industry

1

Build on strong WBS position to **further expand the portfolio with adjacent products and piping solutions in CEE**

2

Build on strong positions in WBS and WPS **with adjacent products and new materials** to increase our system competence

3

Further **grow and strengthen our position** in the North American facade / brick markets

4

Strengthen market positions in GER and FR roof and piping markets

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2

4

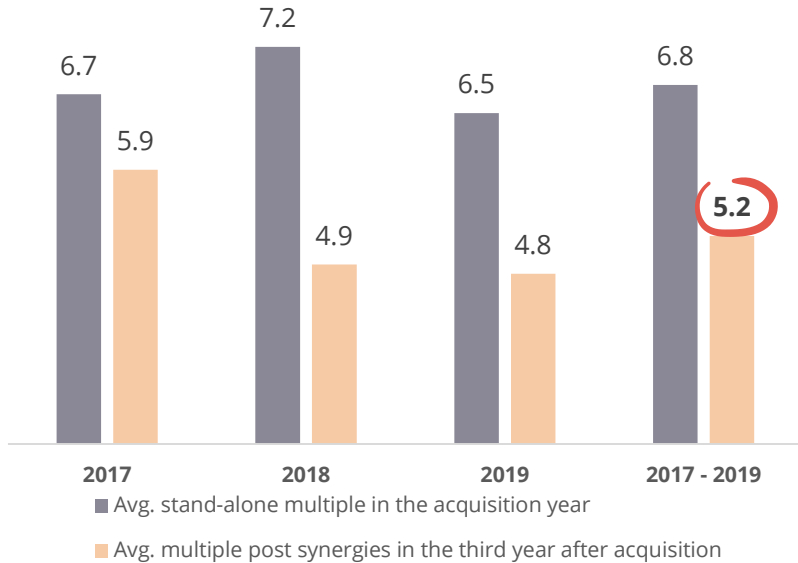
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M&A and Portfolio Optimization

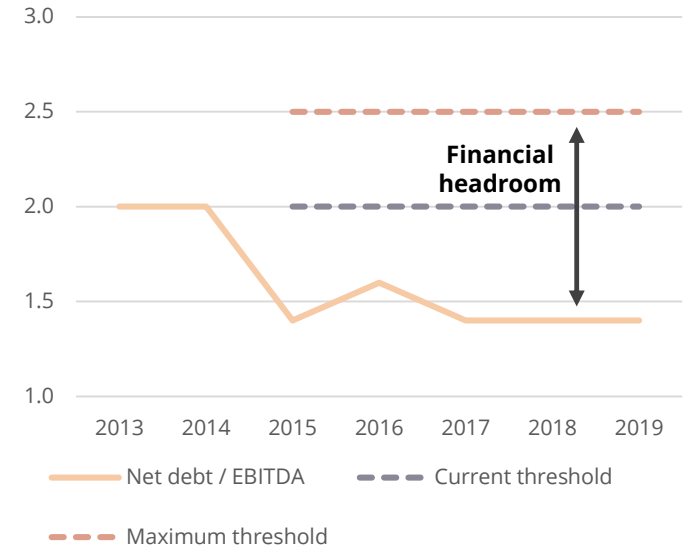
Strong track record of value-creating deals

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Strong M&A track record



Strict financial discipline



Strong M&A track record combined with substantial financial headroom as basis for further value-creating deals

Mid-term target for disposals of non-core assets achieved

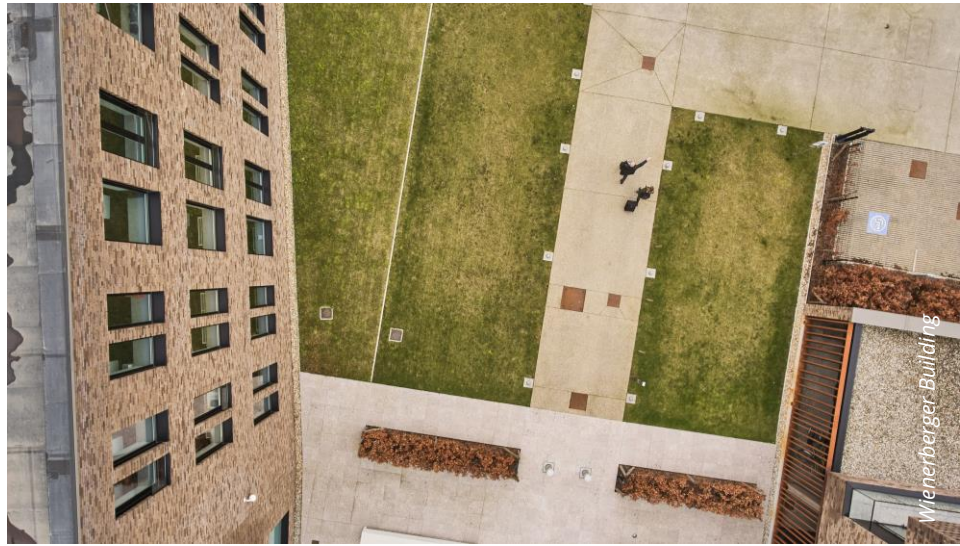
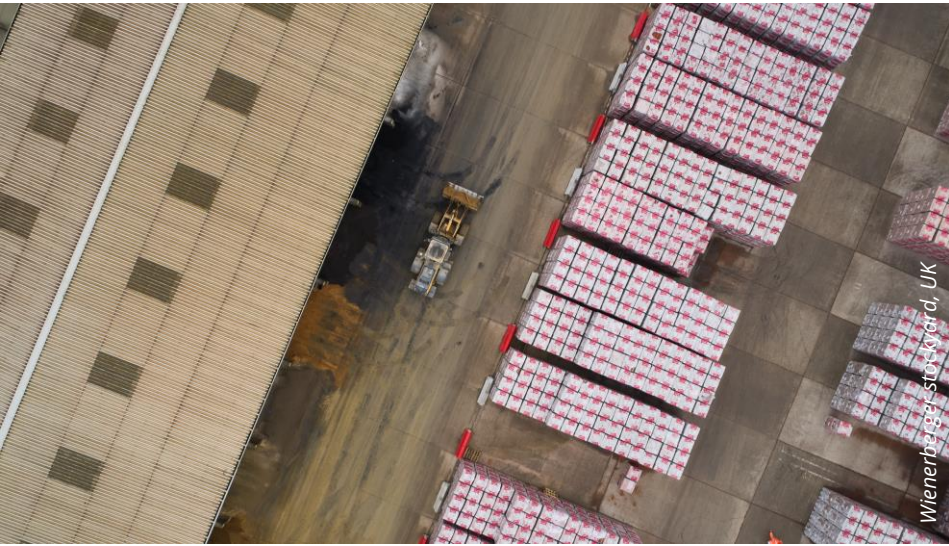
- › **Non-core assets do not meet internal requirements** for
 - › further growth potential
 - › value creation
- › Recent **sale of WBS Switzerland** as successful example of ongoing portfolio optimization

Delivered on our target for 2020 of generating **€ 150 mn** value from disposals

Further value generation potential through disposals

- › **Continuous portfolio review** of operating assets with regards to
 - › strategic fit
 - › growth prospects
 - › profitability
- › Further **value generation** through **disposals of non-operating and operating assets**

€ 50-60 mn of value / cash proceeds from disposals expected until 2023

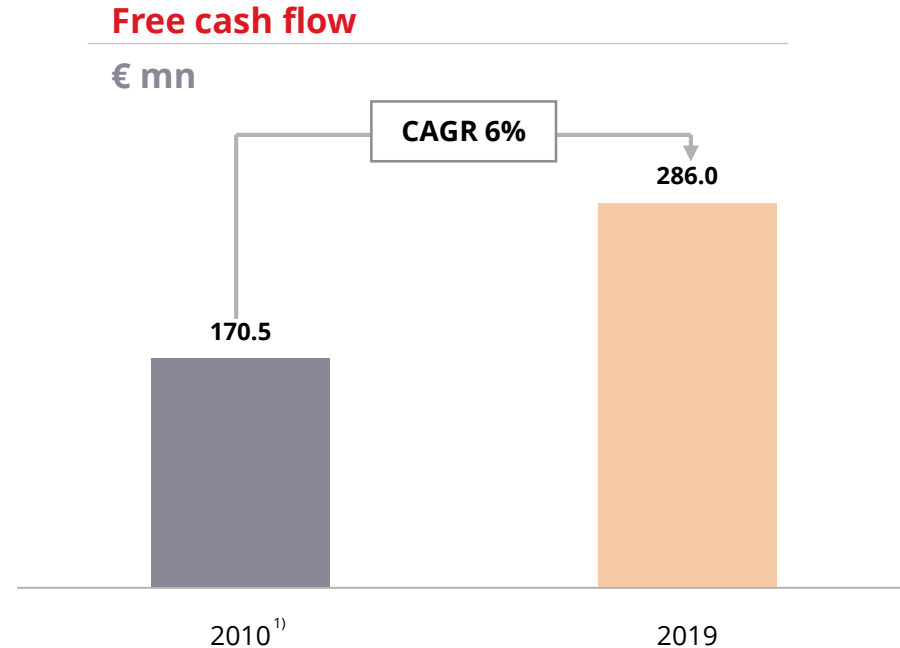


Returning capital to shareholders

Wienerberger consistently showed strong cash generation with further enhancement in last 10 years

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- › **Free cash flow** is defined as **cash flow from operating activities minus maintenance capex**
- › **Strong track record of free cash flow generation** over the last 10 years
- › **High cash flow generation enables us to:**
 - › Pay out a dividend and conduct share buybacks
 - › Manage balance sheet and thus be committed to our strict financial discipline
 - › Invest in value-enhancing growth projects in promising fields of business and markets



1) 2010 figures are not adjusted to 2019 capex definition

Clear commitments to use strong cash generation for further business development

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Capex allocation 2021-2023

€ mn

Maintenance capex	120 p.a.
Special capex	80 p.a.
ESG capex	60 p.a.
M&A	No guidance



Clear investment plan for
Strategy 2023 to deliver further growth

Capital allocation

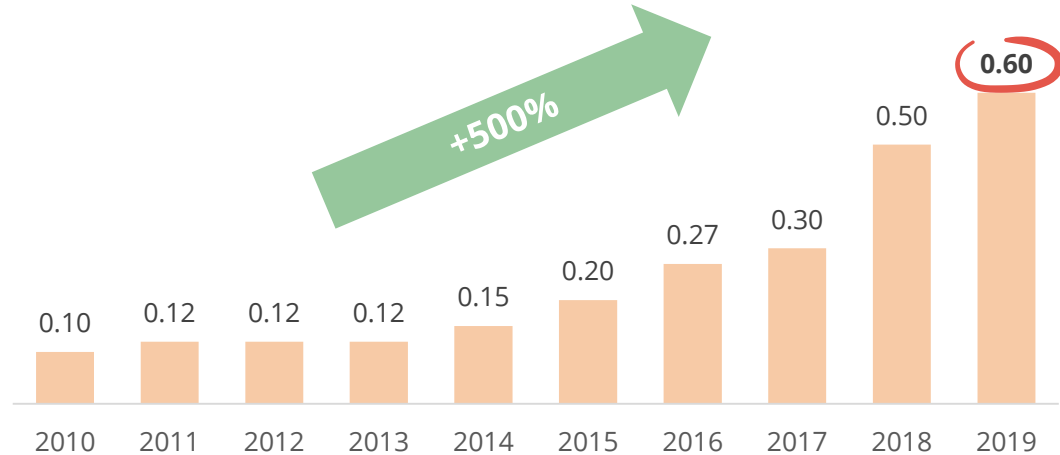
Returning capital to shareholders

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- > Strong business performance reflected in **significant increase** in **dividend per share**
- > Payout 2019: **30% of free cash flow** or **€ 87 mn** returned to shareholders

Strong increase of dividend per share¹⁾

in € per share



Clear dividend policy:

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

¹⁾ Dividend per share reported in the business year of the announcement.

Capital allocation

Hybrid bond and buyback

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- › Hybrid bond issued in 2014: € 272 mn, current coupon 5.00% p.a.
- › **Continuous buybacks** of the hybrid bond in the open market at break-even price or better
- › **Outstanding nominal volume** of hybrid bond **reduced by € 53 mn to € 219.5 mn** ²⁾ as at H1 2020
- › First call date: **February 2021**

Pro-forma impact of hybrid call ¹⁾	Hybrid included in equity	Hybrid excluded from equity
Equity ratio	50%	44%
Net debt / EBITDA	1.4	1.8

We plan to exercise the first call option to further optimize our financing costs

1) 2019 year-end figures // 2) Outstanding amount according to IFRS as at H1 2020: € 214.5mn



Offering the right solutions for global trends

We base our commercial development on key underlying mega trends

These trends are shaping our business

(In)House Solutions



Lack of skilled labor

Construction industry faces **skill shortages** and the need for **guaranteed “on Time in Full” construction delivery**



Healthy Living

Indoor air quality has an important impact on the health of humans in buildings as we spent 90% of our time in house



Infrastructure Solutions



Impact of **climate change** for water management

Climate change creates more unpredictable weather conditions, leading to **water scarcity** and **flooding** at the same time



Energy Transition

Transition from fossil-based to renewable energy supported by the European Green Deal

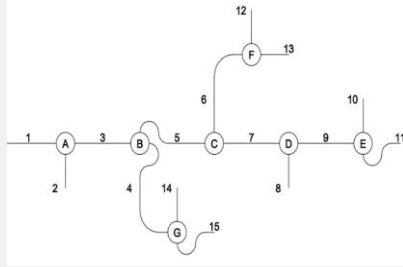
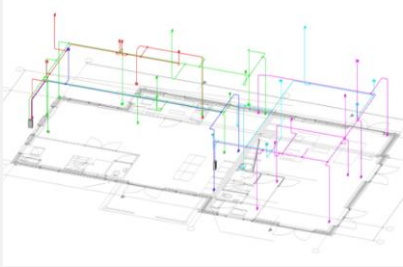


(In)House Solutions

With the Spider concept we widen our inhouse portfolio and aim it towards prefabricated solutions

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1 Convert architect's 3D plan into circuit layout



2 Pre-cut and pre-assemble



3 Lay out ready solution at building site



4 Connect

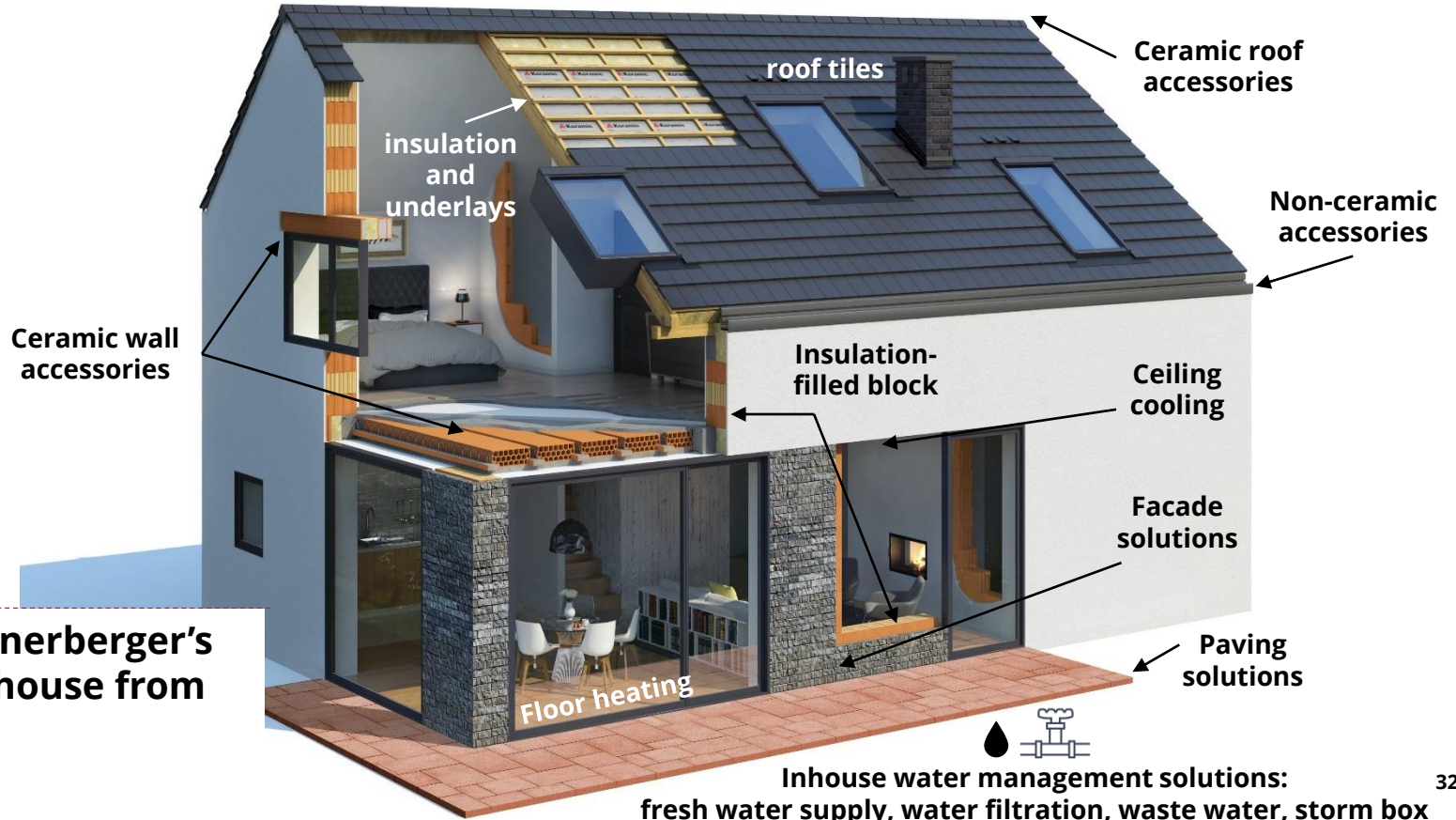


Reduces workload from 16 to 3 hours and supports social distancing in times of Covid-19

(In)House Solutions

By expanding our portfolio we deepen the value chain, offer full solutions and save time on site

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Aim:

Increase Wienerberger's value in the house from 5% to 10%

(In)House Solutions

Our solutions are extended by architectural and design services in a digital business model


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- › **Wienerberger experts today offer full service solutions** for entire housing projects – from start to finish:
 - › Planning and regulatory documentation
 - › Designing of house types and landscape strategies
 - › Product advice
 - › 15y warranty for entire project
- › **All services incorporated in BIM model**

(In)House Solutions

Our sustainable solutions are perfectly suited to improve indoor climate

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- 
- › Building materials made of **natural resources**
 - › Strong **sound insulation** and **fire protection with zero additional insulation** over the entire lifespan
 - › High **lasting value** and **low long-term maintenance costs** as a **solid investment** security for generations
 - › It **saves heating costs** in winter by **reducing ~80% of thermal loss vs. old buildings** and **remains cool** in summer

We base our commercial development on key underlying mega trends

These trends are shaping our business

(In)House Solutions



Lack of skilled labour

Construction industry faces **skill shortages** and the need for **guaranteed “on Time in Full” construction delivery**



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Infrastructure Solutions



Impact of **climate change for water management**

Climate change creates more unpredictable weather conditions, leading to **water scarcity** and **flooding** at the same time



Energy Transition

Transition from fossil-based to renewable energy supported by the European Green Deal



Infrastructure Solutions

We will develop into a full system provider for smart water management...

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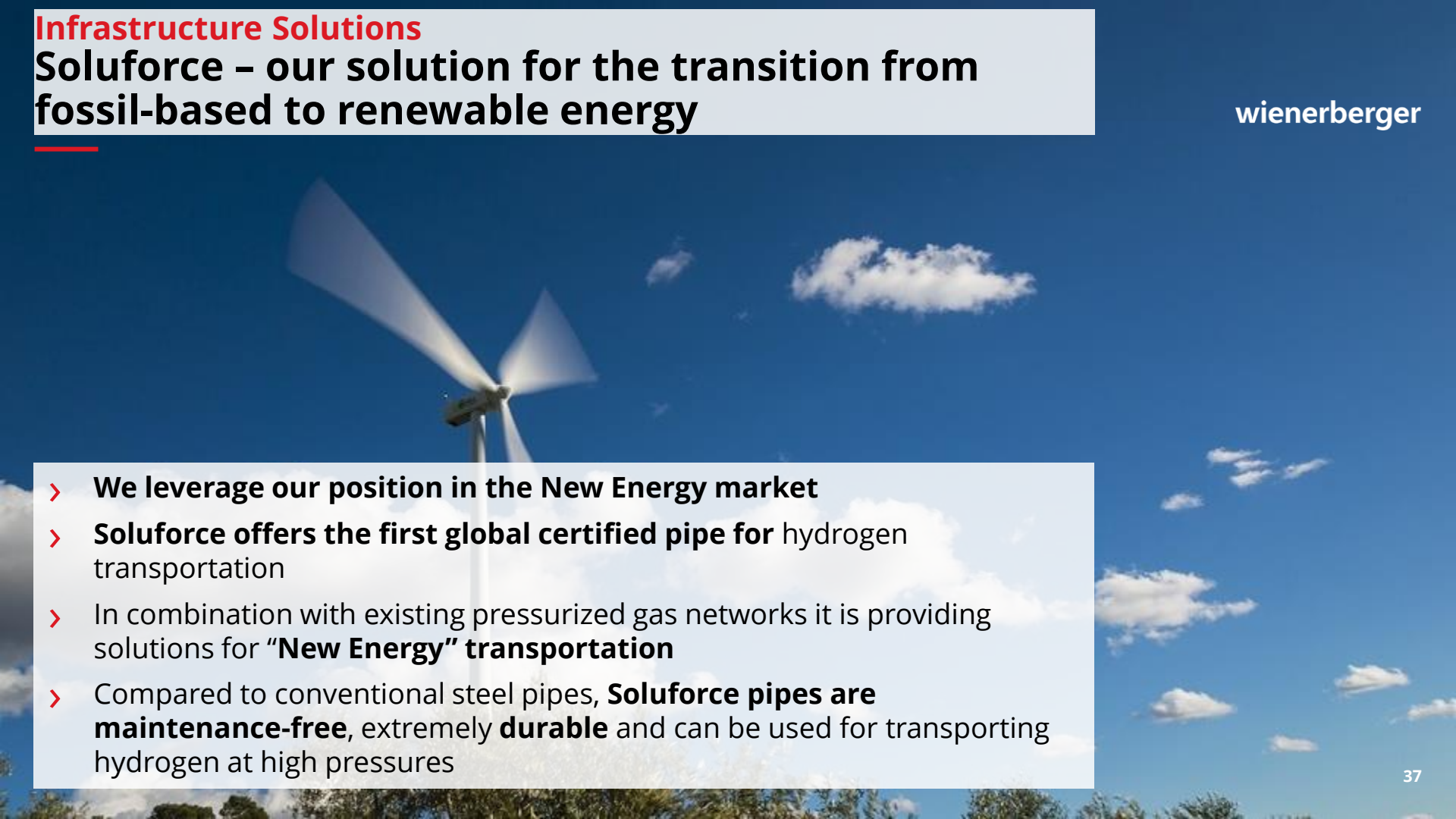
...to prevent floods in times of excessive rain and store the water for long periods of drought



Weather station



Soluforce – our solution for the transition from fossil-based to renewable energy

- 
- › We leverage our position in the New Energy market
 - › Soluforce offers the first global certified pipe for hydrogen transportation
 - › In combination with existing pressurized gas networks it is providing solutions for “**New Energy**” transportation
 - › Compared to conventional steel pipes, **Soluforce pipes are maintenance-free**, extremely **durable** and can be used for transporting hydrogen at high pressures

Infrastructure Solutions

Geothermics - making use of a constant source of renewable energy

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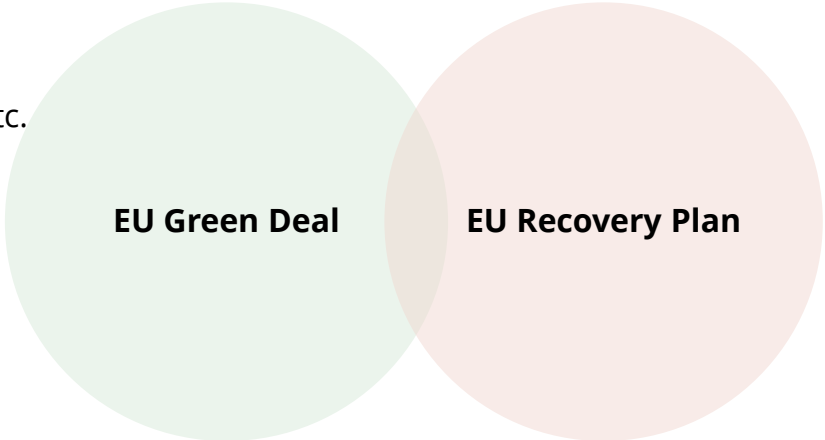
- > We offer **sustainable heating and cooling system** for large scale apartment projects
- > Wienerberger offers end-to-end **design of the installation concept**

Positive EU sentiments will further support our business in the mid- and long-term

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



- > **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

National implementation of European plans will support Wienerberger's local business

EU Green Deal will fuel the renovation wave

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- › Buildings are responsible for 1/3 of global energy consumption¹⁾
- › Around **75% of the building stock** across Europe is **energy inefficient**²⁾
- › **Renovation** is a key initiative addressed in the **European Green Deal** and **central to post-Covid 19 economic recovery**



Renovation

Our solutions improve the energy efficiency of buildings

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Roof system solutions

> **80%**¹⁾ **CO₂ savings** compared to an old building stock

Facade system solutions

> **80%**¹⁾ **CO₂ savings** compared to an old building stock



30% of WBS revenue exposed to renovation today and further increase targeted

¹⁾ Calculated to reference year 1970

Circular economy could boost Europe's resource productivity by up to 3% p.a. by 2030

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- > **Only** about **30%** of plastic waste **is currently recycled**
- > **Construction and Demolition Waste**¹⁾ accounts for approx. **25-30%** of all waste generated in the EU

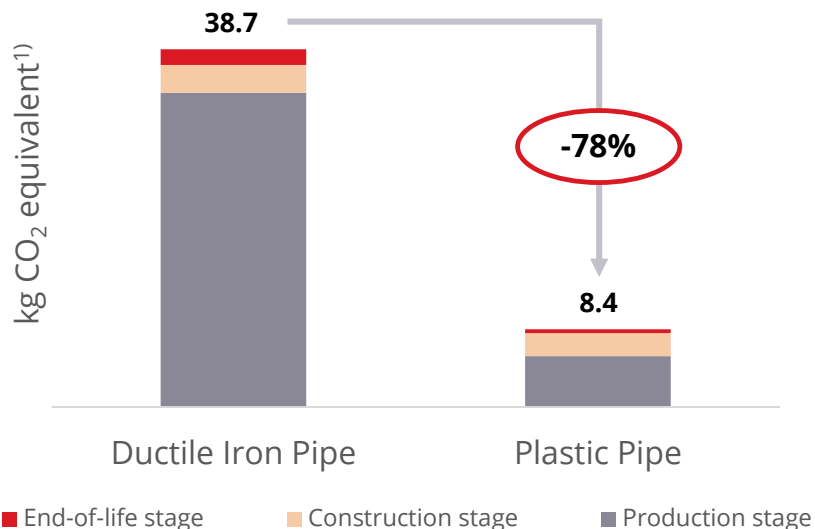


1) According to the EU-Commission – C&DW consists of numerous materials, including concrete, bricks, gypsum, wood, glass, metals, plastic, solvents, asbestos and excavated soil, many of which can be recycled.

Plastic pipes are the most environmentally friendly solution for water management

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Impact of pipes on global warming



- › Lifetime CO_{2e} impact of a plastic pipe is only 25% in comparison to a non-polymer pipe alternative
- › Plastic pipes have **competitive advantage for recyclability**

1) Kilos of CO_{2e} p.a. divided over a lifespan of 100 years // Note: this comparison uses a typical European Polyethylene (PE) pipe system and a ductile iron pipe used below ground for water transportation of 100m. The environmental impact considered covers the entire lifecycle of the pipe, i.e. from raw material extraction, transportation to converters, converting process, transport to trench, construction, use and end of life. The EPD and comparison is certified by an external party, values for ductile iron are derived from publicly available data.

Our products – ideal for the circular economy

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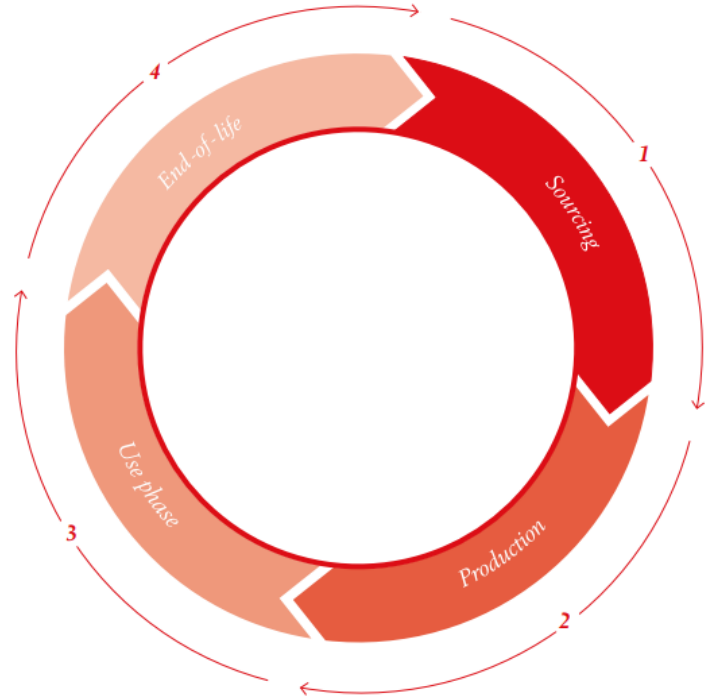
Production waste (=scrap) is already
100% re-used



Our product solutions can be **re-used or recycled** in our production processes



Building partnerships and increased collaboration along all supply chains is key to improve circular economy across Europe





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Our ESG Commitment Governance

Supervisory Board

Key Achievements

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- › Key objective is to **meet international governance standards** whilst remaining **best-in-class** by Austrian standards

- › Supervisory Board Chairman's duties were executed through **new Committee setups** which deal with **key governance** and **future strategic topics** (*Audit and Risk, Nomination, Remuneration and Sustainability and Innovation Committee*)

- › The Supervisory Board adopted an **agile working mode and significantly increased its activities since the outbreak of Covid-19 to:**
 - › Tackle the needs of employees, customers and shareholders
 - › Ensured quick and efficient decision making together with the Managing Board

- › **External Supervisory Board review of their performance and effectiveness** has started. Results shall be published in the course of 2021

- › **Structured succession management process for Chairman**

Feedback from external evaluations integrated into governance enhancement planning

We consulted and listened

What We Heard

Review the Chair's succession plan

Appoint a Senior Independent Director in case of a dependent Chairman

Disclose ESG Expertise in Supervisory Board

Disclose outcomes of the evaluation of the performance of the Board

Disclose performance measure weightings and targets on prospective and retrospective basis for LTI/STI

What We Are Doing

Structured **succession process for Peter Johnson in place** who will stand for re-election at the AGM 2021 to ensure a smooth handover

The Supervisory Board has appointed **Peter Steiner for the role of "Senior Independent Director" with immediate effect**. In addition, he will take over the Nomination Committee to ensure smooth succession process for Peter Johnson

We will **expand the ESG knowledge** of the Board members in the skills matrix and ensure that it is a key component for future Board selection

We have **embarked on a full external evaluation of the performance of the Board and Chair**. Chairman is leading the Board evaluation while Senior Independent Director leads the one for the Chairman. Results will be disclosed in the next annual report

All goals for the upcoming financial year will be disclosed before the upcoming AGM and retrospectively in the Annual Report for target achievement and result in payout

Structured Chair succession process driven by the Nomination Committee



Structured succession process for the Chair handover

The short-term incentive plan re-aligned to meet stakeholder expectations

Remuneration Policy – STI 2020 (pre Covid-19)

- › Short-term variable remuneration for all members is **capped at 100% of annual fixed remuneration**
- › **Short-term variable remuneration allocation¹⁾ based on:**
 - › **EBITDA LFL**
 - › **Free Cash Flow**
 - › **Efficiency enhancement measures** (e.g. Fast Forward)

Remuneration Committee Adjustments (post Covid-19)

- › As the **Covid-19** developments during the current financial year have led to a clearly an **exceptional situation**, it is our responsibility to **re-align management incentive structures to meet stakeholder expectations**

The Remuneration Committee will adapt the STI 2020 accordingly:

- › **Significantly decrease the maximum entitlement limitation** (cap)
- › **Focus on EBITDA LFL as performance measure in 2020 only**
- › **Re-align performance** targets with the revised Guidance to reflect the impact of Covid-19 whilst **ensuring they remain sufficiently stretching**
- › Target **range**, target **achievement** and resulting **payout** will be communicated in the 2021 Remuneration Report

1) Weightings 2020: EBITDA LFL | Free Cash Flow | Efficiency enhancement measures → CEO: 50% | 50% | 0%; CFO: 30% | 30% | 40%; COO WBS: 10% | 10% | 80%, targets for COO WPS, who joined the Managing Board as of July 1, 2020 will be disclosed retrospectively.



Our ESG Commitment Sustainability

Sustainability Strategy 2020+

We continue our sustainability commitment and consider the bigger picture when managing our business

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2023
PROGRAM
Wienerberger's
short-term
target

2050
We **are committed**
to NET ZERO GHG
emissions
in line with the
EU Green Deal

»» We are acting responsibly, improving people's quality of life and ensuring that future generations have the same opportunities as we have today

Our sustainability targets 2023 are fully in line with the EU Green Deal

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ENVIRONMENT



Climate Protection
15% Less CO_{2e}¹⁾ 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_{2e}" 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.

Step-by-step towards CO_{2e} neutrality

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Measures to reach our targets 2023:

- 1 **Product development and design optimization** (*dematerialisation, recipes optimization*)
- 2 Internal **process optimization** using **proven technologies** (*heath pumps, optimization of firing curve*)
- 3 Sourcing of **green electricity** and **green gas**
- 4 Enhanced efforts to **compensate emissions with climate projects**

» **ESG capex** of approx. **€ 60 mn p.a.** on average **until 2023**

1) "Carbon dioxide equivalents" or "CO_{2e}" is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit.



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Executive Summary

Enhanced cash generation and robust balance sheet prove strength also in challenging times

STRONG OPERATING CASH FLOW



H1 2020: € 34.6 mn

H1 2019: € 5.2 mn

RESILIENT EBITDA MARGIN



H1 2020: 16.0%

H1 2019: 17.0%

ROBUST BALANCE SHEET



Net debt
—————
EBITDA

= 1.6x¹⁾

EFFICIENT WORKING CAPITAL MANAGEMENT



Working capital
—————
Revenues

= 16.9%²⁾

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

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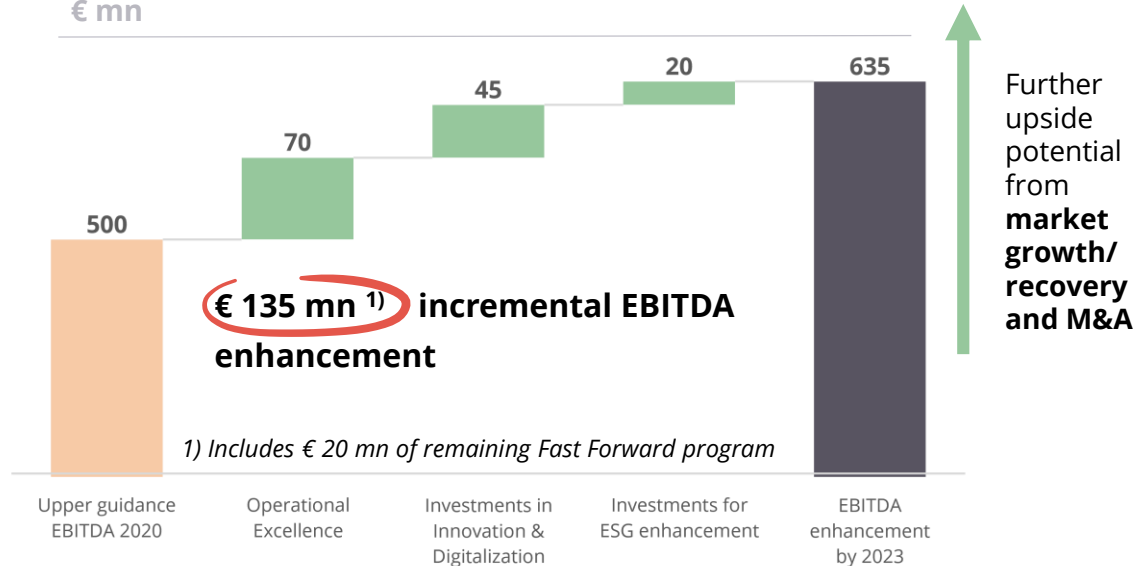
Capex allocation 2021-2023

€ mn

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

Lifting EBITDA from own strength

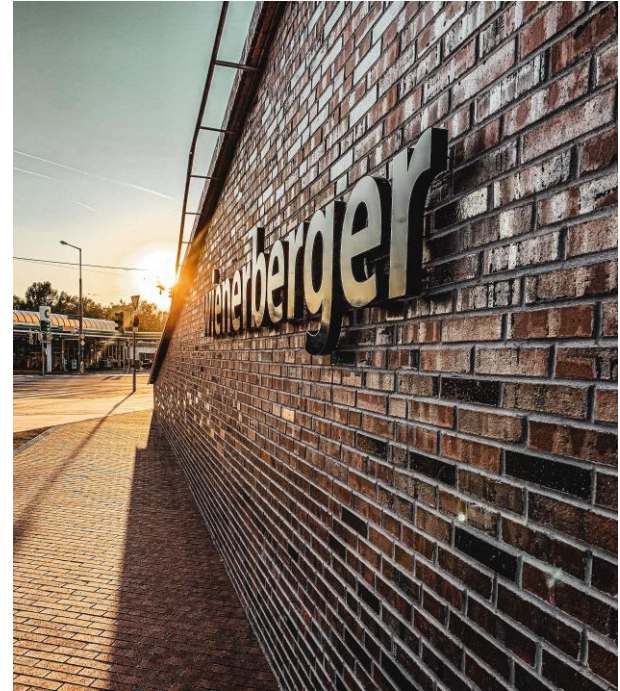
€ mn



Based on today's Group multiple we will generate **€ >1bn value** until 2023

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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