Wienerberger Capital Markets Day
Strong Foundations for Sustainable Growth
September 29, 2020
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Our speakers today

Heimo Scheuch
Chief Executive Officer

Peter Johnson
Chairman Supervisory Board

Peter Steiner
1st VC Supervisory Board

Strategy Update and Outlook

Corporate Governance

Remuneration Update
Wienerberger today

© Aalst/KAAN architecten, Rotterdam/Netherlands

Stockyard for pipes in Ljung, Sweden
Wienerberger today
Resilient, diversified and innovative

1. INNOVATIVE SYSTEM SOLUTIONS

2. BALANCED PORTFOLIO WITH DIVERSIFIED END MARKETS

3. IMPROVED VALUE CREATION VIA PERFORMANCE ENHANCEMENT

4. RESILIENT BUSINESS MODEL
Wienerberger today
Transformation to a system solutions provider

Focused on system solutions

The old Wienerberger
› **Volume driven** and **production focused** manufacturer of commodity products

Wienerberger today
› **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), %

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Gross margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.8%</td>
<td>8.3%</td>
</tr>
</tbody>
</table>

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

1) Compound annual growth rate between 2011-2019
Wienerberger today
Balanced portfolio with diversified end market exposure and enhanced resilience

Diversified end markets

55% New Build Residential
25% Infrastructure
20% Renovation

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

Clear measures

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

Significantly improved Return on Capital

ROCE\(^1\) development, %

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROCE%</td>
<td>0.2%</td>
<td>10.6%</td>
</tr>
</tbody>
</table>

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

\(1)\) ROCE = NOPAT / average capital employed
Enhanced cash generation and robust balance sheet prove strength also in challenging times

<table>
<thead>
<tr>
<th>STRONG OPERATING CASH FLOW</th>
<th>RESILIENT EBITDA MARGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2020: € 34.6 mn</td>
<td>H1 2020: 16.0%</td>
</tr>
<tr>
<td>H1 2019: € 5.2 mn</td>
<td>H1 2019: 17.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ROBUST BALANCE SHEET</th>
<th>EFFICIENT WORKING CAPITAL MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt EBITDA = 1.6x 1)</td>
<td>Working capital Revenues = 16.9% 2)</td>
</tr>
</tbody>
</table>

1) Figure as at 31/6/2020 // 2) Figure as at 31/12/2019
Covid-19 update
Q3 stronger than expected

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
Wienerberger today
Exceptional 10 year track record

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/EBITDA**

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

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1) For the period 31/12/2009 – 31/12/2019
Wienerberger today
Turnaround reflected in strong financial performance

<table>
<thead>
<tr>
<th></th>
<th>2010 (€ mn)</th>
<th>2019 (€ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue growth</strong></td>
<td>1,664</td>
<td>3,466</td>
</tr>
<tr>
<td><strong>Net Income growth</strong></td>
<td>-67</td>
<td>249</td>
</tr>
</tbody>
</table>

**108%** Revenue growth

**208%** EBITDA growth

**472%** Net Income growth

**17.6%** EBITDA Margin at 12-year high
ESG Highlights

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

<table>
<thead>
<tr>
<th>AREA</th>
<th>TARGET</th>
<th>ACHIEVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMPLOYEES</td>
<td>Zero accidents</td>
<td>- 6%&lt;sup&gt;1)&lt;/sup&gt;</td>
</tr>
<tr>
<td>PRODUCTS</td>
<td>Achieve more than 25% of Group revenues from innovative products</td>
<td>&gt; 30% in 2019</td>
</tr>
<tr>
<td>PRODUCTION</td>
<td>Reduce energy consumption and CO₂ emissions in WBS ceramic production by 20% until 2020</td>
<td>For clay blocks</td>
</tr>
<tr>
<td>RECYCLABILITY</td>
<td>Increase the share of recycled material per ton of plastic pipes produced</td>
<td>Initial target achieved 2 years in advance</td>
</tr>
<tr>
<td>SOCIAL RESPONSIBILITY</td>
<td>Zero incidents of corruption</td>
<td>Achieved in 2019</td>
</tr>
</tbody>
</table>

<sup>1</sup) 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

Enabler

Innovation & Digitalization

GROUP STRATEGY

Increase our VALUE CREATION within the HOUSE

Become full system solutions provider in ENERGY & WATER MANAGEMENT

Strengthen our market position in NORTH AMERICA

Operational Excellence

Enabler

ESG

M&A and Portfolio Optimization

Enabler
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

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA Contribution (€ mn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>30</td>
</tr>
<tr>
<td>2022</td>
<td>20</td>
</tr>
<tr>
<td>2023</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>70</td>
</tr>
</tbody>
</table>

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

Special capex investments will further support development of our innovative portfolio

- 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)

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**Investments for innovation, digitalization and optimization**

<table>
<thead>
<tr>
<th>in € mn</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special capex commitment</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
</tbody>
</table>

**€ 45 mn** incremental EBITDA contribution until 2023
ESG

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

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESG capex</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

**Note:** no CO2 cost benefits considered

\(\text{€ 20 mn} \quad \text{incremental EBITDA contribution until 2023}\)

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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

**Capex allocation 2021-2023**

<table>
<thead>
<tr>
<th>Capex Type</th>
<th>€ mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance capex</td>
<td>120 p.a.</td>
</tr>
<tr>
<td>Special capex</td>
<td>80 p.a.</td>
</tr>
<tr>
<td>ESG capex</td>
<td>60 p.a.</td>
</tr>
</tbody>
</table>

**Lifting EBITDA from own strength**

<table>
<thead>
<tr>
<th>Increment</th>
<th>€ mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper guidance EBITDA 2020</td>
<td>500</td>
</tr>
<tr>
<td>Operational Excellence</td>
<td>70</td>
</tr>
<tr>
<td>Investments in Innovation &amp; Digitalization</td>
<td>45</td>
</tr>
<tr>
<td>Investments for ESG enhancement</td>
<td>20</td>
</tr>
<tr>
<td>EBITDA enhancement by 2023</td>
<td>635</td>
</tr>
</tbody>
</table>

Further upside potential from market growth/recovery and M&A

\[ € 135 \text{ mn} \] \(1) \) incremental EBITDA enhancement

1) Includes € 20 mn of remaining Fast Forward program

Based on today’s Group multiple we will generate \(€ >1 \text{ bn value} \) until 2023

Note: No market developments considered, will be guided on an annual basis.
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
M&A and Portfolio Optimization

Strong track record of value-creating deals

Strong M&A track record

<table>
<thead>
<tr>
<th>Year</th>
<th>Avg. stand-alone multiple in the acquisition year</th>
<th>Avg. multiple post synergies in the third year after acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>6.7</td>
<td>5.9</td>
</tr>
<tr>
<td>2018</td>
<td>7.2</td>
<td>4.9</td>
</tr>
<tr>
<td>2019</td>
<td>6.5</td>
<td>4.8</td>
</tr>
<tr>
<td>2017-19</td>
<td>6.8</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Strict financial discipline

- Net debt / EBITDA
- Current threshold
- Maximum threshold

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

Value generation through asset disposals

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.

- **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.

### Free cash flow

<table>
<thead>
<tr>
<th>Year</th>
<th>€ mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>170.5</td>
</tr>
<tr>
<td>2019</td>
<td>286.0</td>
</tr>
</tbody>
</table>

**CAGR 6%**

1) 2010 figures are not adjusted to 2019 capex definition.
Clear commitments to use strong cash generation for further business development

Capex allocation 2021-2023
€ mn

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
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</tr>
<tr>
<td>ESG capex</td>
<td>60 p.a.</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>No guidance</td>
</tr>
</tbody>
</table>

Clear investment plan for Strategy 2023 to deliver further growth
Capital allocation
Returning capital to shareholders

› 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 share\(^1\)
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.
Hybrid bond and buyback

- 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**

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### Pro-forma impact of hybrid call \(^1\)

<table>
<thead>
<tr>
<th></th>
<th>Hybrid included in equity</th>
<th>Hybrid excluded from equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity ratio</td>
<td>50%</td>
<td>44%</td>
</tr>
<tr>
<td>Net debt / EBITDA</td>
<td>1.4</td>
<td>1.8</td>
</tr>
</tbody>
</table>

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

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1) 2019 year-end figures // 2) Outstanding amount according to IFRS as at H1 2020: € 214.5mn
Offering the right solutions for global trends
Wienerberger 2023

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

Note: Wienerberger Group supports 13 out of 17 UN Sustainable Development Goals (SDGs). Detailed analysis of the relevant SDGs can be found on page 52 ff. in Sustainability Update 2019
(In)House Solutions
With the Spider concept we widen our inhouse portfolio and aim it towards prefabricated solutions

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

Aim:
Increase Wienerberger’s value in the house from 5% to 10%

Inhouse water management solutions:
- fresh water supply
- water filtration
- waste water
- storm box
(In)House Solutions
Our solutions are extended by architectural and design services in a digital business model

» 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
Our sustainable solutions are perfectly suited to improve indoor climate

- 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

- **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

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Note: Wienerberger Group supports 13 out of 17 UN Sustainable Development Goals (SDGs). Detailed analysis of the relevant SDGs can be found on page 52 ff. in Sustainability Update 2019
Infrastructure Solutions
We will develop into a full system provider for smart water management...

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

Stormwater box
with manifold and filter / segregation system*

Raineo Road gully
with manhole

Pipe system

* = manifold and filter not shown
Infrastructure Solutions

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

› 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

› **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

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

1) IEA, Buildings, A source of enormous untapped efficiency potential // 2) European Commission, Renovation wave, 2020
Renovation

Our solutions improve the energy efficiency of buildings

Roof system solutions

> 80%¹) \( \text{CO}_2 \) savings compared to an old building stock

Facade system solutions

> 80%¹) \( \text{CO}_2 \) savings compared to an old building stock

¹) Calculated to reference year 1970

30% of WBS revenue exposed to renovation today and further increase targeted
Circular economy could boost Europe’s resource productivity by up to 3% p.a. by 2030

- 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

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

<table>
<thead>
<tr>
<th></th>
<th>Ductile Iron Pipe</th>
<th>Plastic Pipe</th>
</tr>
</thead>
<tbody>
<tr>
<td>End-of-life stage</td>
<td>38.7 kg CO$_{2e}$</td>
<td>8.4 kg CO$_{2e}$</td>
</tr>
<tr>
<td>Construction stage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production stage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

*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*
Our ESG Commitment
Governance
Supervisory Board
Key Achievements

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.
### Corporate Governance

**Feedback from external evaluations integrated into governance enhancement planning**

We consulted and listened

<table>
<thead>
<tr>
<th>What We Heard</th>
<th>What We Are Doing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Review the Chair's succession plan</strong></td>
<td>Structured <strong>succession process for Peter Johnson in place</strong> who will stand for re-election at the AGM 2021 to ensure a smooth handover</td>
</tr>
<tr>
<td><strong>Appoint a Senior Independent Director in case of a dependent Chairman</strong></td>
<td>The Supervisory Board has appointed <strong>Peter Steiner for the role of “Senior Independent Director” with immediate effect</strong>. In addition, he will take over the Nomination Committee to ensure smooth succession process for Peter Johnson</td>
</tr>
<tr>
<td><strong>Disclose ESG Expertise in Supervisory Board</strong></td>
<td>We will <strong>expand the ESG knowledge</strong> of the Board members in the skills matrix and ensure that it is a key component for future Board selection</td>
</tr>
<tr>
<td><strong>Disclose outcomes of the evaluation of the performance of the Board</strong></td>
<td>We have <strong>embarked on a full external evaluation of the performance of the Board and Chair</strong>. 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</td>
</tr>
<tr>
<td><strong>Disclose performance measure weightings and targets on prospective and retrospective basis for LTI/STI</strong></td>
<td>All goals for the upcoming financial year will be <strong>disclosed before the upcoming AGM</strong> and <strong>retrospectively</strong> in the Annual Report for target achievement and result in payout</td>
</tr>
</tbody>
</table>

*wienerberger*
Supervisory Board
Structured Chair succession process driven by the Nomination Committee

PROFILE DEFINITION
- Development of a profile based on industry and functional expertise including ESG knowledge
- Leadership roles and international work experience
- Consideration of diversity aspects

LONG LIST DEFINITION
- Search in cooperation with external consultants
- Potential external / internal candidates are identified

SHORT LIST DEFINITION
- Candidates are shortlisted based on qualitative review of their respective backgrounds and experience

EVALUATION PROCESS
- Assessment of shortlisted candidates
- Interview process with Nomination Committee

NOMINATION
- Shortlisted candidate is nominated

DECISION
- Final decision and development of a on-boarding plan

Structured succession process for the Chair handover
Remuneration Update
The short-term incentive plan re-aligned to meet stakeholder expectations

|------------------------------------------------|
› 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)

<table>
<thead>
<tr>
<th>Remuneration Committee Adjustments (post Covid-19)</th>
</tr>
</thead>
</table>
› 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 I Free Cash Flow I Efficiency enhancement measures → CEO: 50% I 50% I 0%; CFO: 30% I 30% I 40%; COO WBS: 10% I 10% I 80%, targets for COO WPS, who joined the Managing Board as of July 1, 2020 will be disclosed retrospectively.
Our ESG Commitment
Sustainability
We are acting responsibly, improving people’s quality of life and ensuring that future generations have the same opportunities as we have today.

Sustainability Strategy 2020+
We continue our sustainability commitment and consider the bigger picture when managing our business.

2023 PROGRAM
Wienerberger’s short-term target

2050
We are committed to NET ZERO GHG emissions in line with the EU Green Deal
Our sustainability targets 2023 are fully in line with the EU Green Deal

<table>
<thead>
<tr>
<th>ENVIRONMENT</th>
<th>SOCIAL</th>
<th>GOVERNANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Climate Protection</strong> 15%</td>
<td>Diversity &gt;15% Female employees in senior management &gt;30% Female employees in white collar positions</td>
<td>Committed to highest national and international governance standards and with focus on: Business strategy Board diversity and composition Executive compensation Succession management</td>
</tr>
<tr>
<td><strong>Circular Economy</strong> 100% Of new products will be designed in a way that they are recyclable or reusable</td>
<td>Training and Development +10% More training hours per employee</td>
<td></td>
</tr>
<tr>
<td><strong>Biodiversity</strong> Biodiversity program for all our sites in place</td>
<td><strong>CSR Projects</strong> 200 Housing units build with our products per year for people in need in our local markets</td>
<td></td>
</tr>
</tbody>
</table>

1) “Carbon dioxide equivalents” or “CO\textsubscript{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

Rollout of existing technologies

Product innovation and design

Breakthrough technologies

Short-term

Mid-term

Long-term

2050 CO$_{2e}$ neutrality

Compensation projects

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$_2$" is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit.
Executive Summary
Wienerberger today
Enhanced cash generation and robust balance sheet prove strength also in challenging times

<table>
<thead>
<tr>
<th>STRONG OPERATING CASH FLOW</th>
<th>RESILIENT EBITDA MARGIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2020: € 34.6 mn</td>
<td>H1 2020: 16.0%</td>
</tr>
<tr>
<td>H1 2019: € 5.2 mn</td>
<td>H1 2019: 17.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ROBUST BALANCE SHEET</th>
<th>EFFICIENT WORKING CAPITAL MANAGEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net debt EBITDA = 1.6x 1)</td>
<td>Working capital Revenues = 16.9% 2)</td>
</tr>
</tbody>
</table>

1) Figure as at 31/6/2020 // 2) Figure as at 31/12/2019
EBITDA contribution of € 135 mn until 2023 to be delivered with self-help measures and dedicated investments

**Capex allocation 2021-2023**

<table>
<thead>
<tr>
<th>Capex Type</th>
<th>Amount (€ mn)</th>
<th>Annual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance capex</td>
<td>120</td>
<td>P.A.</td>
</tr>
<tr>
<td>Special capex</td>
<td>80</td>
<td>P.A.</td>
</tr>
<tr>
<td>ESG capex</td>
<td>60</td>
<td>P.A.</td>
</tr>
</tbody>
</table>

**Lifting EBITDA from own strength**

- **€ 135 mn** \(^1\) incremental EBITDA enhancement

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

Note: No market developments considered, will be guided on an annual basis.
Wienerberger 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
wienerberger