At a glance

What happens with our cash flow?

Wienerberger's three pillars of strategic growth – Organic Growth, Operational Excellence and Growth Investments & Portfolio Optimization – are directed toward a common goal: generating strong free cash flow, which enables us to pay out a dividend to our shareholders, manage our balance sheet, and invest in value-enhancing growth projects.

Dividends and share buyback transactions

We use our free cash flow to share Wienerberger's success with our shareholders. Since 2012, we have increased the dividend more than fourfold: from € 0.12 to € 0.50 per share in 2018. Adding the share buyback transactions to that figure, we have paid out over € 270 to our shareholders over that period. Based on our new profit distribution policy, shareholders will in future receive 20–40% of the free cash flow in the form of an annual dividend and share buyback transactions.

Balance sheet management

Our stated objective is to ensure a strong balance sheet. We therefore also use the cash flow generated for the repayment of our financial liabilities. We are committed to strict financial discipline and aim to keep the debt repayment period (ratio of net debt to EBITDA) at year end below 2.5 years. At the end of 2019, we reported a value of 1.4 years, which is clearly below the benchmark and reflects our strict balance sheet management.

Growth projects

Moreover, we use our free cash flow to invest in value-enhancing growth projects in promising fields of business and markets. In doing so, we broaden the existing product portfolio, upgrade our distribution platforms and accelerate the pace of growth in our core markets in Europe and North America. Thanks to our strong financial basis, we have enough potential for further growth investments.

Free cash flow
Wienerberger defines its free cash flow in simple terms as cash flow from operating activities minus maintenance capex. It shows how much cash is actually available for additional investments and profit distribution.

In 2019, we introduced a new way of calculating total capex (capital expenditure), which is now broken down into maintenance capex and special capex. In addition we provide investments for M&A.