

2020 | REPORT ON THE FIRST QUARTER

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wienerberger

Earnings Data		1-3/2020	1-3/2019	Chg. in %	Year-end 2019
Revenues	in MEUR	793.3	776.8	+2	3,466.3
EBITDA LFL ¹⁾	in MEUR	105.2	109.3	-4	-
EBITDA	in MEUR	106.1	109.8	-3	610.0
Operating EBIT	in MEUR	40.5	53.1	-24	362.7
Impairment charges to assets	in MEUR	-22.5	0.0	<-100	0.0
Impairment charges to goodwill	in MEUR	-93.6	0.0	<-100	0.0
EBIT	in MEUR	-75.5	53.1	<-100	362.7
Profit before tax	in MEUR	-84.2	43.1	<-100	315.3
Net result	in MEUR	-106.3	26.8	<-100	249.1
Earnings per share	in EUR	-0.94	0.23	<-100	2.18
Free cash flow ²⁾	in MEUR	-162.2	-177.6	+9	286.0
Maintenance capex	in MEUR	22.9	22.3	+3	140.1
Special capex	in MEUR	11.5	15.2	-24	115.4
Ø Employees	in FTE	17,192	16,706	+3	17,234

Balance Sheet Data		31/3/2020	31/12/2019	Chg. in %
Equity ³⁾	in MEUR	1,892.6	2,076.8	-9
Net debt	in MEUR	1,072.5	871.4	+23
Capital employed	in MEUR	2,931.3	2,912.2	+1
Total assets	in MEUR	4,092.9	4,132.6	-1
Gearing	in %	56.7	42.0	-

Stock Exchange Data		1-3/2020	1-12/2019	Chg. in %
Share price high	in EUR	28.26	26.82	+5
Share price low	in EUR	11.59	18.10	-36
Share price at end of period	in EUR	14.39	26.42	-46
Shares outstanding (weighted) ⁴⁾	in 1,000	113,413	114,320	-1
Market capitalization at end of period	in MEUR	1,657.6	3,074.0	-46

Business Units 1-3/2020 in MEUR and % ⁵⁾	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	500.4 (+5%)	220.7 (-1%)	71.4 (-6%)		792.4 (+2%)
Inter-company revenues	0.8 (>100%)	0.1 (>100%)	0.0 (-100%)	0.0	0.8 (>100%)
Revenues	501.1 (+5%)	220.8 (-1%)	71.4 (-6%)	0.0	793.3 (+2%)
EBITDA LFL ¹⁾	81.2 (-5%)	19.1 (+10%)	4.9 (-24%)		105.2 (-4%)
EBITDA	81.9 (-4%)	18.7 (+7%)	5.5 (-20%)		106.1 (-3%)
Operating EBIT	38.0 (-21%)	4.8 (-7%)	-2.3 (<-100%)		40.5 (-24%)
Capital employed	2,002.1 (+5%)	581.5 (-2%)	347.7 (-21%)		2,931.3 (0%)
Total capex	23.1 (-16%)	8.1 (+24%)	3.2 (-4%)		34.4 (-8%)
Ø Employees (in FTE)	12,476 (+4%)	3,331 (+2%)	1,385 (-5%)		17,192 (+3%)

1) Adjusted for effects from consolidation, FX, sale of non-strategic and non-operating assets as well as structural adjustments // 2) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus special capex and net payments made for the acquisition of companies // 3) Equity including non-controlling interests and hybrid capital // 4) Adjusted for treasury stock // 5) Changes in % to the comparable prior year period are shown in brackets

Explanatory notes to the report: Rounding differences may arise from the automatic processing of data.

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Chief Executive's Review

Dear shareholders,

In recent weeks, the Covid-19 pandemic had us all firmly in its grip. We reacted swiftly and flexibly to the challenges of these turbulent times and informed you regularly about the measures taken. Wienerberger's primary focus has always been on the health and safety of our employees and all our partners along the value chain. At the same time, we have made every effort to maintain our performance at a sustainable level and consolidate our financial strength.

Wienerberger is fortunate to have a strong basis to build on. Before the outbreak of the crisis, we continued on the previous year's path of success well into the first quarter of 2020, confident to achieve yet another record, until everything was put on hold by the government-imposed lockdowns. Despite the first negative effects, we achieved excellent results: Revenues increased by 2% to € 793 million and EBITDA LFL, amounting to € 105 million, almost matched the previous year's record of € 109 million.

This operating performance in the first quarter of 2020 has thus once again confirmed that we have massively strengthened our position in recent years. With our excellent portfolio, our diversified offer for residential construction and infrastructure in 30 countries, and our focus on innovation, sustainability and digitalization we are able to steer our business through different economic cycles, even in difficult times. We are well equipped to master the current crisis and to continue successfully on our growth path in the long term.

However, our strong operating result must be viewed against non-recurrent, non-cash impairment charges driven by Covid-19. Faced with a changing market environment, we had to adjust our assumptions for future developments in some of our markets, which resulted in valuation adjustments of about € 116 million, the major part (€ 94 mn) being attributable to the full write-off of goodwill in North America. Nevertheless, we maintain our long-term assessment of the earnings potential in these markets, while reacting to the special circumstances caused by the pandemic.

I am confident that Wienerberger will emerge from this crisis even stronger. Wienerberger reacted very quickly and launched a comprehensive program of

measures to counter the effects of the crisis, with a special focus on cash generation, cost optimization, flexible capacity adjustments and the safeguarding of further liquidity. We are building on a strong balance sheet and were able to further strengthen our financial base at an early stage during recent weeks with additional bank loans. At the same time, the 4% bond in the amount of € 300 million was redeemed as planned on April 17, 2020, thus completing the largest repayment for this year. After this redemption, Wienerberger has liquid funds of roughly € 500 million available.

During the rest of 2020, we will continue to consistently implement our strategy and step up our efforts in the fields of innovation, sustainability and digitalization. We are thus preparing the ground for future growth.

We expect the second quarter of 2020 to be the most affected by the effects of the Covid-19 pandemic due to lockdowns in our key markets. As governments are beginning to ease their restrictions, we expect that the lockdowns will be lifted step by step and economic activities will slowly return to normal. In the field of infrastructure, the economic stimulus packages announced in the wake of the crisis might even have an additional positive impact.

As any projection of future developments is extremely difficult for the time being, we have taken various scenarios into consideration. If no further lockdown measures are taken in our markets and demand normalizes quickly, we anticipate market declines in 2020 between 15% and 20% across the Wienerberger Group. In this case, EBITDA LFL is expected to reach a range of € 440 to 480 million. Due to the continuous dynamic market environment we will provide you with a regular update regarding such a scenario.

We will certainly use any opportunities as they arise. We provide smart, digital solutions, operate local production sites, and react fast and flexibly to changes in the environment. I am convinced that we have the necessary strength to return to our growth path.

Yours



Interim Management Report

Financial Review

Earnings

In the first three months of the year, we succeeded in increasing revenues at Group level by 2 % to € 793.3 million (2019: € 776.8 million) despite the first negative effects of the Covid-19 pandemic. This positive development was primarily due to strong demand for high-value product solutions and our proactive pricing policy to cover cost inflation. Contributions from the consolidation of acquired entities increased revenues by € 19.6 million. Foreign exchange differences diminished revenues slightly by € 2.9 million, the devaluation of the Hungarian forint and the Norwegian krone being partly offset by the appreciation of the US dollar and the British pound.

Despite a strong start to the year 2020, the Wienerberger Group's EBITDA LFL declined slightly by 4 % to € 105.2 million (2019: € 109.3 million). Positive effects of the continued implementation of efficiency enhancing measures within the framework of Fast Forward were slowed down by the initial negative impact of the Covid-19 pandemic declared by the World Health Organization (WHO) in March. Nevertheless, the Fast Forward program delivered a highly satisfactory contribution to earnings of roughly € 9 million in the first three months of the year, which partly offset the negative Covid-19 impact on earnings.

Not included in EBITDA LFL are contributions from consolidation of € 3.0 million, negative foreign currency effects of € 0.5 million, income from the sale of real estate of € 0.5 million, and structural adjustment costs of € 2.1 million.

EBITDA reported at Group level, which includes the aforementioned effects, declined slightly by 3 % from € 109.8 million in the comparable period of the prior year to € 106.1 million in the reporting quarter. The 24 % decrease in operating earnings before interest and tax (operating EBIT) to € 40.5 million (2019: € 53.1 million) was due to operational developments and the market valuation of CO₂ certificates.

The outbreak of the Covid-19 pandemic in our markets represented a triggering event that led to an impairment test in accordance with IFRS for all assets as of March 31, 2020. The changed market dynamics made it

necessary to adjust our assumptions about future developments in some of our markets. Taking various scenarios into account, this review resulted in a total impairment of €116.1 million, which was largely due to the full write-off of €93.6 million goodwill in North America. In addition, impairment losses were recognized for the same reason on various tangible assets in Russia and selected European markets of the Group totalling € 22.5 million. As a result, operating EBIT fell by 24 % year-on-year to € 40.5 million (previous year € 53.1 million). Earnings before interest and taxes (EBIT) were € -75.5 million (previous year: € +53.1 million).

The financial result improved by 13 % to € -8.7 million (2019: € -10.0 million). Net interest expenses declined slightly to € -9.0 million (2019: € -9.4 million). Income from investments in associates and joint ventures amounted to € -0.3 million (2019: € -0.9 million). The other financial result, which primarily comprises valuation effects and bank charges, came to € 0.6 million (2019: € 0.3 million).

The impairment lead to a decrease of profit before tax to € -84.2 million (previous year: € +43.1 million). Income tax of € -19.1 million was higher compared to previous year's figure (€ -13.0 million) due to the reduced recognition of tax loss carryforwards. The net result turned negative to € -106.3 million (31.3.2019: € 26.8 million). Adjusted for non-recurrent impairment, earnings per share amounted to € 0.09, compared to € 0.23 in the previous year. Taking the impairment into account, earnings per share amounted to € -0.94.

Cash Flow

In the first three months of the year, gross cash flow decreased to € 74.3 million (2019: € 83.6 million), which was primarily due to the first negative effects of the outbreak of the Covid-19 pandemic. At the same time, cash flow from operating activities improved significantly from € -145.4 million in 2019 to € -129.8 million in the reporting period as a result of proactive working capital management, in particular, a much lower build-up of inventories.

Cash outflow for investments during the first quarter amounted to a total of € 34.4 million (2019: 37.5 million), including € 22.9 million in maintenance capex

(2019: € 22.3 million). At the same time, the Group invested € 11.5 million (2019: € 15.2 million) in upgrading and optimizing its production processes, the development of new products, and digitalization (special capex). Cash outflows for acquisitions and investments in non-current financial assets totaled € 2.0 million (2019: € 1.0 million). Cash inflows from the sale of real estate and the realization of other non-current assets amounted to € 2.4 million (2019: € 2.9 million). Dividend income from joint ventures came to € 2.5 million.

Cash flow from financing activities amounted to € 184.0 million in the reporting period (2019: € 137.7 million). Net inflows of cash from long-term financial liabilities following the early refinancing of the bond that was redeemed in April amounted to € 169.8 million. A total amount of € 40.0 million (previous year: € 21.9 million) was incurred for share and hybrid bond repurchases and the corresponding coupon.

In total, the Group's net cash increased by € 18.2 million from its 2019 year-end value to € 147.0 million.

Assets and Financial Position

As at the reporting date, the Group's equity was € 184.2 million below the 2019 year-end value. Comprehensive income after tax reduced equity by a total of € 144.3 million. Besides the after-tax result, the amount also includes negative differences from currency translation in the amount of € 52.5 million and positive valuation effects from hedging instruments of € 11.6 million. Payout of the hybrid coupon in the amount of € 12.4 million and the buyback of parts of the hybrid bond and own shares for a total of € 2.1 million also resulted in a reduction of the Group's equity. 1,163,514 own shares bought back were cancelled as of 18/2/2020. An amount of € 24.1 million was therefore reclassified within equity from own shares to subscribed capital, capital reserves and retained earnings.

As a result of the usual seasonal buildup of working capital, net debt in the first quarter stood at € 1,072.5 million (31/3/2019: € 1,019.4 million) com-

pared with € 871.4 million on 31/12/2019. Working capital remained stable at € 809.4 million, compared with the same period last year (€ 801.0 million).

Operating Segments

Wienerberger Building Solutions

Under the impact of Covid-19, the Wienerberger Building Solutions Business Unit was partly slowed down in its record-setting development, especially in Western Europe:

- › Increase in revenues by 5 % to € 500.4 million (2019: € 476.6 million)
- › EBITDA LFL declined moderately by 5 % to € 81.2 million (2019: € 85.5 million)
- › Starting in March, market dynamics were dampened by Covid-19

During the first two months of the business year, the Wienerberger Building Solutions Business Unit was clearly on track to set a new record for the first quarter. With few exceptions, our core markets recorded strong demand for innovative solutions for the building envelope and outdoor surfaces and, at the same time, benefited from mild weather conditions. Starting in March, most of our Western European core markets began to feel the first negative effects of Covid-19. As a result, our EBITDA declined moderately by 4 % to € 81.9 million.

In Great Britain, the slight downturn in residential construction in our core regions first seen in the fourth quarter of the previous year continued in the reporting period. Nevertheless, as mild weather conditions permitted an early start to the construction season, we increased both revenues and earnings slightly. The specialist in roofing accessories acquired in 2019 delivered the expected contribution to earnings. This acquisition enables us to further strengthen our position as a full-range provider of roof systems and to consistently pursue our target of continually increasing our share in the building envelope. On account of the measures imposed by the government to contain the spread of Covid-19, we had to temporarily shut down our plants as of mid-March. Although our earnings remained strong, we began to feel a negative impact.

In Belgium, we recorded an excellent start into the 2020 business year. Taking advantage of the positive environment in the residential construction market to increase our average prices to cover cost inflation, we achieved a significant increase in revenues and earnings.

In the Netherlands, strict emission laws and the resulting reduction in the number of new building permits issued had the expected dampening effect on housing construction. At the same time, however, we benefited

from higher demand in the roof and infrastructure segments, which in turn led to a substantial increase in revenues compared to the first quarter of 2019.

In France, the number of building permits dropped, as expected, under the impact of cuts in government support programs. Additionally, France is among the countries that have been hit hardest by the Covid-19 pandemic since mid-March. Consequently, we recorded a decline in revenues and earnings in the competitive French market.

The acquisition of two facing brick producers and a distribution company in Denmark in the fourth quarter of 2019 further strengthened our position in the attractive Nordic facade market. The integration of these companies proceeded faster than expected and delivered a strong contribution to earnings.

Residential construction in Austria and Germany remained stable at a high level. Thanks to the introduction of new, innovative products, combined with an increase in average prices to cover cost inflation, we recorded higher revenues and significant earnings growth in both countries. Enhanced route to market efforts in Austria contributed to this strong performance. The successful implementation of digitalization measures in recent years proved to be a major asset, especially during the lockdown that has been in place since mid-March.

The market in Italy, the European country most severely affected by the Covid-19 pandemic, was shut down completely already at the beginning of March under the government-imposed restrictions. However, the impact on Wienerberger is relatively moderate on account of the small share of our Italian operations in the Group's total revenues.

In Poland and the Czech Republic, our biggest Eastern European core markets, demand had been extremely strong in the first half of 2019 but weakened in the second half of the year. In the reporting period, the housing construction markets normalized at high levels. We therefore delivered strong results in the first quarter of 2020, although, as expected, we were unable to match the record level of the comparable period in 2019.

Demand for solutions for the building envelope was highly satisfactory, especially in the Adriatic region and in Romania, with elections coming up. In this strong environment, we achieved a significant increase in revenues and earnings.

In our Eastern European paver business, we consistently pursued our strategy focused on premium products. Further improvements of the product mix, combined with an increase in average prices to cover cost inflation, resulted in a significant increase in revenues and earnings.

Overall, revenues increased by 5 % to € 500.4 million in the first three months of the year. Despite the successful implementation of efficiency enhancing measures, EBITDA declined moderately by 4 % to € 81.9 million due to Covid-19. EBITDA LFL decreased slightly to € 81.2 million in the reporting period (2019: € 85.5 million).

Wienerberger Building Solutions		1-3/2020	1-3/2019	Chg. in %
External revenues	<i>in MEUR</i>	500.4	476.6	+5
EBITDA LFL ¹⁾	<i>in MEUR</i>	81.2	85.5	-5
EBITDA	<i>in MEUR</i>	81.9	85.6	-4
Operating EBIT	<i>in MEUR</i>	38.0	48.3	-21
Capital employed	<i>in MEUR</i>	2,002.1	1,910.7	+5
Total capex	<i>in MEUR</i>	23.1	27.7	-16
Ø Employees	<i>in FTE</i>	12,476	11,982	+4

1) Adjusted for effects from consolidation, FX, sale of non-operating assets as well as structural adjustments

Outlook for 2020

To date, the first negative effects of Covid-19 have been seen primarily in our Western European core markets. Since March, the countries most affected have been Great Britain, Belgium, France, Austria and Italy, where the government imposed a lockdown across the entire country. The impact of these restrictions varies from country to country. We expect that these countries will gradu-

ally ease their lockdown measures and that economic activity will slowly return to normal. First positive signs are being seen in Austria, where demand quickly picked up again. For the further developments in 2020, we expect the government measures in place to have a strong impact on our production and on demand in the second quarter. For the rest of the year, we anticipate a step-by-step recovery.

Wienerberger Piping Solutions

Despite first negative effects of Covid-19, the Wienerberger Piping Solutions Business Unit succeeded in keeping its revenues stable and generated significant earnings growth:

- Revenues almost stable at € 220.7 million (2019: € 224.0 million)
- EBITDA LFL up by 10 % to € 19.1 million (2019: € 17.4 million)
- Most of our activities continued, even after the outbreak of the Covid-19 pandemic
- Positive impact of mild weather conditions on our operations

Our plastic pipe business recorded a successful start into the year 2020. With revenues remaining stable, we achieved a further increase in earnings and profitability by consistently implementing our strategy with focus on higher value products, which resulted in a continuation of the extremely positive trends of the previous year. Additionally, mild weather conditions supported an early start to the construction season and uninterrupted progress of major infrastructure projects. In the Business Unit's most relevant markets, the first effects of Covid-19 were only seen toward the end of the quarter in Western Europe. Despite unfavorable foreign exchange developments, the Business Unit delivered a record result.

This positive development in the first three months was marked by strong demand for infrastructure solutions. We continued to benefit from government-funded investments in large infrastructure projects, which increased our sales volumes, especially in the Eastern European markets. In our in-house business, which generates higher margins, we once again surpassed our excellent 2019 revenues, which resulted in a positive contribution to earnings. The agriculture segment, comprising the highly profitable business in irrigation and drainage systems, also had a successful start to the year.

Owing to the outbreak of the Covid-19 pandemic, developments in the individual regions showed a differentiated picture:

Business in the markets of Northern Europe progressed well, especially in the infrastructure segment, despite a steep devaluation of the Norwegian krone. As the restrictions imposed by the governments of the Nordic countries were more moderate, business continued at a

high level. In our Western European markets, we benefited from strong demand in the electro segment. Nevertheless, the sudden outbreak of the Covid-19 pandemic and weakening infrastructure activities negatively affected our performance in these markets.

The Austrian market was exposed to diverging developments. On the one hand, we benefitted from the mild winter, but on the other hand, Covid-19 severely affected our operations. Due to the rapid measures taken by the government, almost all construction sites and building material merchants were shut down temporarily across the entire country. Our business in the other Eastern European markets performed extremely well despite the devaluation of local currencies. This development was driven by successful infrastructure projects, which continued to operate without interruption during the first three months of the year. Irrespective of local currency fluctuations, an increase in earnings was recorded in the reporting currency.

The situation in our markets for ceramic pipes was similar to that of the plastic pipe markets. While demand in Eastern Europe remained strong, important markets for this product group, such as Italy, France and Belgium, were severely affected by government-imposed Covid-19 measures and therefore suffered a drop in demand.

Altogether, the Business Unit's first quarter revenues remained almost stable at € 220.7 million, compared to € 224.0 million in the first quarter of 2019. Due to consistent implementation of our strategy, combined with successful efficiency enhancing measures within the framework of the Fast Forward program, EBITDA grew by 7 % to € 18.7 million. EBITDA LFL increased by 10 % to € 19.1 million in the first three months of the year.

Wienerberger Piping Solutions		1-3/2020	1-3/2019	Chg. in %
External revenues	<i>in MEUR</i>	220.7	224.0	-1
EBITDA LFL ¹⁾	<i>in MEUR</i>	19.1	17.4	+10
EBITDA	<i>in MEUR</i>	18.7	17.4	+7
Operating EBIT	<i>in MEUR</i>	4.8	5.2	-7
Capital employed	<i>in MEUR</i>	581.5	591.1	-2
Total capex	<i>in MEUR</i>	8.1	6.5	+24
Ø Employees	<i>in FTE</i>	3,331	3,264	+2

1) Adjusted for effects from consolidation and FX

Outlook for 2020

During the first quarter, market dynamics as experienced by the Wienerberger Piping Solutions Business Unit were only partially impacted by the outbreak of the Covid-19 pandemic. For the rest of 2020, we expect work on most of the large infrastructure projects to continue, which will have a positive influence on the performance of this segment. Demand in the in-house segment is expected to decline slightly. Due to noticeable climate

changes like increasing frequency of extreme weather events, such as droughts and flooding, we expect to see a positive development of our business in irrigation and drainage solutions for agriculture in the future. Presumably, the impact of Covid-19 will be reflected most strongly in the second quarter results.

North America

In the first quarter, business in North America was negatively impacted by unfavorable weather conditions and the beginning effects of the Covid-19 pandemic. We therefore recorded a decline in earnings:

- Revenues declined by 6 % to € 71.4 million (2019: € 75.9 million)
- EBITDA decreased by 20 % to € 5.5 million (2019: € 6.8 million)
- US brick and pipe business slowed down by extreme weather conditions in the first two months of the year
- Starting in March, the outbreak of the Covid-19 pandemic produced first negative effects
- EBITDA LFL amounted to € 4.9 million (2019: € 6.5 million)

During the first three months of the year, our relevant markets in North America were exposed first to extreme weather conditions and then to the outbreak of Covid-19. Under the influence of these events, demand for bricks weakened in the USA. When the weather improved in March, ongoing projects were successfully resumed and prices were adjusted as planned. However, the initial positive market dynamics were slowed down by the Covid-19 pandemic. Given the differences in US state government responses, most of our plants remained in operation.

In Canada, demand for facing bricks only picked up slowly at the beginning of the year. The restrictive measures taken by the Canadian government in response to Covid-19 led to the closure of our production site in Cambridge and the resultant loss of revenues and earnings.

In our North American plastic pipe business, we continued working on performance enhancing measures in production and distribution. However, the weather-related postponement of major infrastructure projects resulted in a weak start into the year 2020. Moreover, as market participants expected further price reductions of raw material prices, investment decisions were postponed, which was reflected in declining demand for our products.

Overall, the North America Business Unit's revenues amounted to € 71.4 million, while EBITDA reached € 5.5 million. EBITDA LFL, adjusted for foreign currency effects and real estate sales, amounted to € 4.9 million (2019: € 6.5 million).

North America		1-3/2020	1-3/2019	Chg. in %
External revenues	in MEUR	71.4	75.9	-6
EBITDA LFL ¹⁾	in MEUR	4.9	6.5	-24
EBITDA	in MEUR	5.5	6.8	-20
Operating EBIT	in MEUR	-2.3	-0.4	<-100
Capital employed	in MEUR	347.7	439.3	-21
Total capex	in MEUR	3.2	3.3	-4
Ø Employees	in FTE	1,385	1,460	-5

1) Adjusted for effects from FX and sale of non-operating assets

Outlook for 2020

The outbreak of the Covid-19 pandemic will affect our business in North America in different ways. We expect a temporary decline in demand in the single and multi-family home segment due to the economic consequences of the pandemic. However, the investments planned by the US government to improve the country's infrastructure would have a beneficial effect on our plastic

pipe business. With regards to a reopening of the economy, we expect the USA to ease its measures in the near future, while the Canadian government is likely to proceed less progressively. All in all, we remain positive for the future growth potential in our North America Business Unit.

Outlook

Market Outlook for Europe

In our European core markets, we recorded a successful start into the year 2020, driven by the consistent implementation of our value-creating growth strategy and our strong focus on innovation, sustainability and digitalization. As an added advantage, the mild winter in Europe allowed construction activities to resume early in the year. All in all, we saw a continuation of the positive trends of the previous years.

However, when the first countries were hit by the Covid-19 pandemic in early March, especially in Western Europe, demand plunged temporarily under the impact of government-imposed measures. In countries such as Austria, France, Italy and Great Britain, governments decreed a country-wide lockdown, which affected our business to varying degrees. We expect these countries to gradually ease their lockdown measures and slowly return to normal economic operations. First positive signs are being seen in individual countries, such as Austria, where demand has been recovering quickly.

In the field of infrastructure we anticipate a continued positive development, given the strong demand for infrastructure projects already seen in the first quarter. Moreover, we expect the majority of governments to adopt economic stimulus packages in response to Covid-19, which would have a positive impact on this business segment.

Market Outlook for North America

The start to the construction season in North America was relatively weak due to weather conditions. After first signs of positive market dynamics in March, individual US States and Canada were hit by the Covid-19 pandemic, which again resulted in a downturn in demand. Despite first attempts to relaunch the economy, we assume that the Covid-19 pandemic will have a strong impact on the fiscal year 2020 in North America. In view of the economic consequences and the resultant high rate of unemployment, we anticipate a temporary weakening of demand in the single- and two-family home segment. In the infrastructure sector, however, planned investments by the government may have a positive impact on our pipe business.

Scenario 2020

The first quarter of 2020 once again confirmed the notable strengthening of the Wienerberger Group's position in recent years. Thanks to our diversified business model and our various end markets for residential construction and infrastructure in 30 countries, we are able to steer our business through different economic cycles, even in difficult times.

In the remaining business year, in addition to managing the Covid-19 impact, we will therefore continue to consistently implement our strategy and further advance our priority topics in the fields of sustainability, innovation and digitalization. This creates the basis for further growth.

After the temporary Covid-19 impact in our markets any projection of future developments is extremely difficult for the time being. We have therefore taken various scenarios into consideration. If no further lockdown measures are taken in our markets and demand normalizes quickly, we anticipate market declines in 2020 between 15% and 20% across the Wienerberger Group. In this case, EBITDA LFL is expected to reach a range of € 440 to 480 million. Due to the continuous dynamic market environment we will provide you with a regular update regarding such a scenario.

In calculating this scenario, we did not take any contributions from asset sales, foreign exchange effects, changes in the scope of consolidation and structural adjustment costs into account.

For the maintenance of our industrial platforms and the continuous improvement of occupational health and safety, we plan to invest € 120-140 million. Moreover, depending on economic developments, we will continue to invest in the design and introduction of innovative products, the sustainable improvement of our production processes and the steady enhancement of our environmental performance.

Our promising pipeline of potential acquisitions remains intact. We will continue evaluating current options and take the necessary decisions, depending on economic developments, in the course of the year.

Consolidated Income Statement

in TEUR

	1-3/2020	1-3/2019
Revenues	793,251	776,750
Cost of goods sold	-522,183	-505,910
Gross profit	271,068	270,840
Selling expenses	-158,390	-153,338
Administrative expenses	-60,694	-57,939
Other operating income	4,740	3,787
Other operating expenses		
Impairment charges to assets	-22,475	0
Impairment charges to goodwill	-93,572	0
Other	-16,200	-10,298
Operating profit/loss (EBIT)	-75,523	53,052
Income from investments in associates and joint ventures	-320	-938
Interest and similar income	613	713
Interest and similar expenses	-9,581	-10,076
Other financial result	588	321
Financial result	-8,700	-9,980
Profit/loss before tax	-84,223	43,072
Income taxes	-19,133	-12,957
Profit/loss after tax	-103,356	30,115
Thereof attributable to non-controlling interests	54	19
Thereof attributable to hybrid capital holders	2,929	3,334
Thereof attributable to equity holders of the parent company	-106,339	26,762
Earnings per share (in EUR)	-0.94	0.23

Consolidated Balance Sheet

in TEUR

	31/3/2020	31/12/2019
Assets		
Intangible assets and goodwill	647,159	760,379
Property, plant and equipment	1,811,142	1,882,634
Investment property	59,668	57,832
Investments in associates and joint ventures	23,313	25,641
Other financial investments and non-current receivables	26,482	26,483
Deferred tax assets	51,282	58,745
Non-current assets	2,619,046	2,811,714
Inventories	839,140	827,566
Trade receivables	332,440	221,586
Receivables from current taxes	18,807	12,182
Other current receivables	84,472	91,507
Securities and other financial assets	49,014	36,317
Cash and cash equivalents	146,985	128,755
Current assets	1,470,858	1,317,913
Non-current assets held for sale	2,958	2,958
Total assets	4,092,862	4,132,585
Equity and liabilities		
Issued capital	115,188	116,352
Share premium	1,036,170	1,058,946
Hybrid capital	217,164	241,008
Retained earnings	826,296	943,851
Other reserves	-263,338	-222,478
Treasury stock	-39,718	-61,685
Controlling interests	1,891,762	2,075,994
Non-controlling interests	835	835
Equity	1,892,597	2,076,829
Deferred taxes	74,949	76,917
Employee-related provisions	148,729	150,684
Other non-current provisions	85,671	90,870
Long-term financial liabilities	739,047	576,246
Other non-current liabilities	2,928	3,085
Non-current provisions and liabilities	1,051,324	897,802
Current provisions	31,970	38,113
Payables for current taxes	21,981	25,516
Short-term financial liabilities	529,413	460,211
Trade payables	290,537	336,422
Other current liabilities	275,040	297,692
Current provisions and liabilities	1,148,941	1,157,954
Total equity and liabilities	4,092,862	4,132,585

Consolidated Statement of Cash Flows

in TEUR

	1-3/2020	1-3/2019
Profit/loss before tax	-84,223	43,072
Depreciation and amortization	61,577	56,231
Impairment charges to goodwill	93,572	0
Impairment charges to assets and other valuation effects	23,723	3,256
Increase/decrease in non-current provisions	-4,572	-3,631
Income from investments in associates and joint ventures	320	938
Gains/losses from the disposal of fixed and financial assets	-784	-709
Interest result	8,968	9,363
Interest paid	-3,740	-4,449
Interest received	156	332
Income taxes paid	-20,727	-20,813
Gross cash flow	74,270	83,590
Increase/decrease in inventories	-32,013	-55,853
Increase/decrease in trade receivables	-120,451	-112,921
Increase/decrease in trade payables	-38,545	-41,299
Increase/decrease in other net current assets	-13,042	-18,909
Cash flow from operating activities	-129,781	-145,392
Proceeds from the sale of assets (including financial assets)	2,416	2,948
Payments made for property, plant and equipment and intangible assets	-34,400	-37,512
Payments made for investments in financial assets	-2,040	0
Dividend payments from associates and joint ventures	2,457	1
Increase/decrease in securities and other financial assets	-2,342	-2,994
Net payments made for the acquisition of companies	0	-1,000
Cash flow from investing activities	-33,909	-38,557
Cash inflows from the increase in short-term financial liabilities	110,337	242,087
Cash outflows from the repayment of short-term financial liabilities	-44,170	-72,948
Cash inflows from the increase in long-term financial liabilities	170,006	336
Cash outflows from the repayment of long-term financial liabilities	-199	-102
Cash outflows from the repayment of lease liabilities	-12,051	-9,865
Hybrid coupon paid	-12,365	-13,622
Buyback hybrid capital	-25,492	-5,317
Purchase of treasury stock	-2,103	-2,918
Cash flow from financing activities	183,963	137,651
Change in cash and cash equivalents	20,273	-46,298
Effects of exchange rate fluctuations on cash held	-2,043	921
Cash and cash equivalents at the beginning of the year	128,755	163,080
Cash and cash equivalents at the end of the period	146,985	117,703

Operating Segments

1-3/2020 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	500,359	220,690	71,394		792,443
Inter-company revenues	787	63	0	-42	808
Total revenues	501,146	220,753	71,394	-42	793,251
EBITDA	81,903	18,680	5,472		106,055
Operating EBIT	37,979	4,842	-2,297		40,524
Impairment charges to assets	-16,775	-5,700	0		-22,475
Impairment charges to goodwill	0	0	-93,572		-93,572
EBIT	21,204	-858	-95,869		-75,523
Profit/loss after tax	4,775	-5,615	-102,516		-103,356
Capital employed	2,002,123	581,474	347,741		2,931,338
Total investments	23,109	8,116	3,175		34,400
Ø Employees (in FTE)	12,476	3,331	1,385		17,192

1-3/2019 in TEUR	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	476,624	223,958	75,924		776,506
Inter-company revenues	265	20	3	-44	244
Total revenues	476,889	223,978	75,927	-44	776,750
EBITDA	85,601	17,398	6,847		109,846
Operating EBIT	48,270	5,221	-439		53,052
EBIT	48,270	5,221	-439		53,052
Profit/loss after tax	31,014	1,495	-2,394		30,115
Capital employed	1,910,728	591,143	439,326		2,941,197
Total investments	27,675	6,539	3,298		37,512
Ø Employees (in FTE)	11,982	3,264	1,460		16,706

Financial Calendar

May 14, 2020	Results for the First Quarter of 2020
June 2020	Publication of the Sustainability Report 2019
July 20, 2020	<i>Start of the quiet period</i>
August 12, 2020	Results for the First Half-Year of 2020: Presentation of the Results in Vienna
October 19, 2020	<i>Start of the quiet period</i>
October 28, 2020	Deduction of dividends for 2019 (ex-day) (<i>acc. to resolution of the AGM on May 05, 2020</i>)
October 29, 2020	Record date for 2019 dividends (<i>acc. to resolution of the AGM on May 05, 2020</i>)
October 30, 2020	Payment day for 2019 dividends (<i>acc. to resolution of the AGM on May 05, 2020</i>)
November 5, 2020	Results for the First Three Quarters of 2020

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