



Wienerberger AG

152nd Annual General Meeting – May 2021

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Agenda

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Review of 2020

Strategy & Investment case

Financial Highlights 2020

Outlook 2021

FY 2020

Wienerberger 2020 in figures

We **successfully** navigated **through the crisis** and delivered a resilient performance

Revenue

€ 3,354.6 mn

(2019: € 3,466.3 mn | -3%)

EBITDA LFL ¹⁾

€ 565.6 mn

(2019: € 594.2 mn | -5%)

Free Cash Flow

€ 397.3 mn

(2019: € 286.0 mn | +39%)

Employees

16,619

(2019: 17,234)

We successfully managed a challenging year together

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People come first

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... Covid-19 measurements taken swiftly

- › weekly **CEO updates for employees**
- › home office within 48h & wellbeing measures



... Health & Safety measures

- › new group-wide **Health & Safety Policy**
- › **intensive training** in a virtual format



... Diversity and equal opportunities

- › our **corporate culture** is key for **our sustainable economic success**
- › **increasing female headcount** (overall +2% vs. 2019; senior positions +5% vs. 2019)



... Training

- › to **deepen the understanding** of the importance **of ESG implementation**
- › to promote **networking** and **international knowledge transfer**

We are a trusted partner for our customers

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Despite a challenging environment, we were able **to deliver our solutions safely and on time** to customers and construction businesses



As a manufacturing company, it is important for us **to protect and support our external partners, customers and employees** to the best of our abilities

- › **Well-respected local partner:** Strong brands and experienced local management teams
- › **True partnership:** Over 2,500 stakeholders were invited to participate in our materiality analysis 2020
- › **Support for our partners:** We actively support our stakeholders along the supply chain in their efforts to comply with ESG criteria

We communicate transparently and pro-actively

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Transparent, timely and pro-active communication to all stakeholders



Weekly updates through Conference Calls at the start of the **Covid-19 pandemic**



Regular updates to shareholders and the **financial market** through Conference Calls, Conferences and Roadshows



+65%
vs. 2019

In 2020, Wienerberger recorded **837 interactions** with **450 different shareholders**



#1
Webranking

Best communication according to Lundquist & Comprend's Webranking in Austria



Wienerberger's business model

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Our local businesses enable us to be close to customers and helps us react quickly

- › Experienced local **management teams close to decision makers**
- › **Optimal market coverage** with strong industrial basis
- › **Diversified business model** balances out divergent business cycles
- › **Adequate logistics, transportation and upheld supply chains**



All partners along the value chain profit from our strong brands

- › As pioneers we fully embrace **innovation and digitalization**
- › Solutions and products developed according to **strict and ambitious ESG criteria**
- › **Strong and well-known brands** firmly establish Wienerberger's solutions in local markets and support sustainable growth



We offer sustainable solutions for generations

Wienerberger offers its stakeholders a unique value proposition

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We create value ...

... for generations



Customers

- > **Convenient solutions** tailored to our customer's needs
- > **Innovation leadership** and R&D to offer added value for our customers



Human resources

- > **Passion, entrepreneurial spirit and professionalism** are of crucial importance
- > **Strong management** and succession plan in place



Organisation

- > **Highly efficient** processes and organisation
- > Success from **group-wide exchange of processes**



... by improving people's quality of life

... by providing outstanding solutions for our core markets

... by continuous growth based on a strategic commitment to our ESG and financial targets

Significant, sustainable shareholder value creation

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Sustainable growth strategy with embedded ESG objectives

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All activities are subject to
clear ESG objectives

Organic growth through



**Innovation &
Digitalization**

Self help through



**Operational
Excellence**

Inorganic growth through



**M&A and Portfolio
Optimization**

Growth areas

1 End markets

New build

Renovation

Infrastructure

2 Geographies

Europe

North America

All our activities need to be in line with our ambitious 2023 ESG targets

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ENVIRONMENT



Climate Protection

-15% 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 built 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.

Balanced portfolio with diversified end markets

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New build



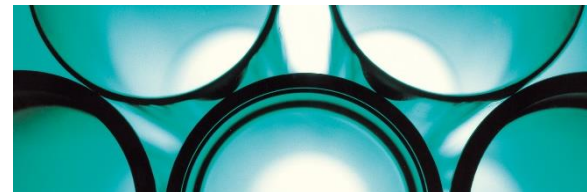
- › **Leading market positions** in core markets
- › **Healthy market environment** for single-family homes
- › **Innovation** and **energy efficiency** as industry drivers

Renovation



- › **Consistent strong demand** in renovation
- › **Innovative products and system solutions** for roofs, facades, walls etc.

Infrastructure



- › Broad range of pipes for **system solutions** for **infrastructure** applications
- › Innovative and eco-friendly solutions such as **smart water management**

›› **Value creating acquisitions** further strengthen our market presence (Meridian Brick¹⁾) and are enlarging our portfolio (Inter Act)

1) Transaction subject to approval by competition council

Value creating acquisitions and continuous optimization of our portfolio

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Acquisition of Meridian Brick – USA ¹⁾



- › **Create new #1** in core regions
- › More than **double our revenue in North America**
- › Generate **strong EBITDA enhancement** incl. **significant synergies**

Acquisition of Inter Act - Netherlands



- › **Web & cloud-based technologies** that enables monitoring, predicting and controlling of data
- › Infrastructure networks become **smart water management solutions**

Divestment of Swiss activities



- › **Requirements for further growth potential & value creation** not met
- › 2019 revenue: **€ ~50 mn**
- › **Sale of operations** in September for **attractive multiple**

1) Transaction subject to approval by competition council

Meridian: Leveraging our know-how and competencies to become stronger and more competitive

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New regional leader of masonry solutions with strong focus on ESG, innovation and digitalization



Enhance competitiveness

- › Solution-driven and customer-centric approach
- › Strong production and cost management know-how to leverage significant synergies



Building on strong regional footprint

- › Technological know-how and strong industrial set-up in key markets
- › Highly complementary product portfolio

- › Establish **highly efficient production and logistical processes**
- › Expand Wienerberger's approach through **R&D, innovation and digitalization**
- › Build on **strong local brands** and value creation
- › **Transparent ESG targets** with positive impact on climate change

In 2020, we continued to build on our strength in innovation

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Photovoltaic roof solutions



- > First PV integrated roof tiles launched
- > **Sustainable** and **easy** to apply

Advanced cistern systems



- > First **prefabricated cistern system** launched
- > **Technical functionality** combined with **ease of installation**

Automated 3D Printing applied in mass production



- > First mass 3D production of **customized manholes** for storm- and wastewater networks
- > Saves time, upgrades performance and increases safety

Innovative products already account for 33% of our portfolio

Sustainability is integrated into our strategy and business model

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Climate Protection

-15% 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



We support **key international initiatives:**

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



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



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

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.

Strong track record in previous 10 years with outstanding growth rates

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>> A **strong foundation** positions Wienerberger ideally to **further grow organically and through acquisitions** and **create sustainable infrastructure and building solutions for generations**

Ø **6%** p.a.

organic revenue growth
(2010-2020)

Ø **18%** p.a.

dividend growth
(2010-2020)

Strong commitment to ESG

fully integrated in corporate
strategy and governance process

Added value through stable earnings growth

Clear strategic focus and proven
track record in delivering strong
results

Resilience through diversity

through geographical footprint and
broad end markets

Investors benefit from resilient cash generation

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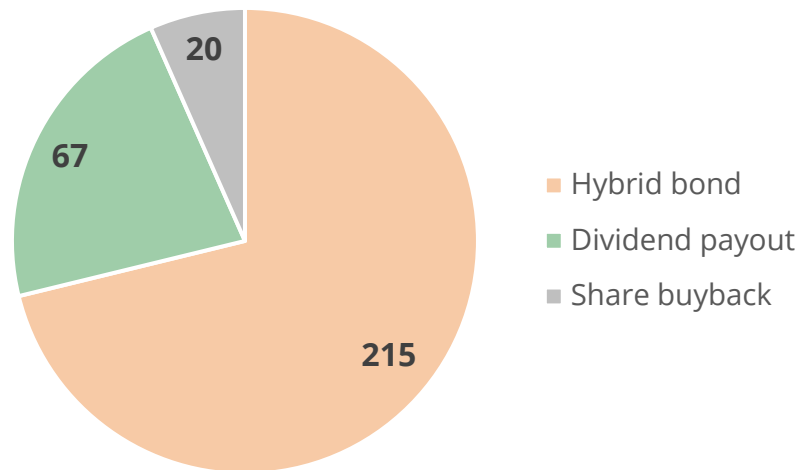
- › Even in the challenging year that was 2020, our resilient business model allows for attractive payouts to our investors
 - › **€ 67 mn dividend** (60 eurocent / share)
 - › **€ 20 mn share buyback**
 - › **€ 215 mn hybrid payback**
- › **Clear dividend policy:** Distribution of **20-40% of free cash flow** by means of a progressive dividend and share buybacks

Total payout to investors:

€ 300 mn

Attractive payouts to investors

in € mn

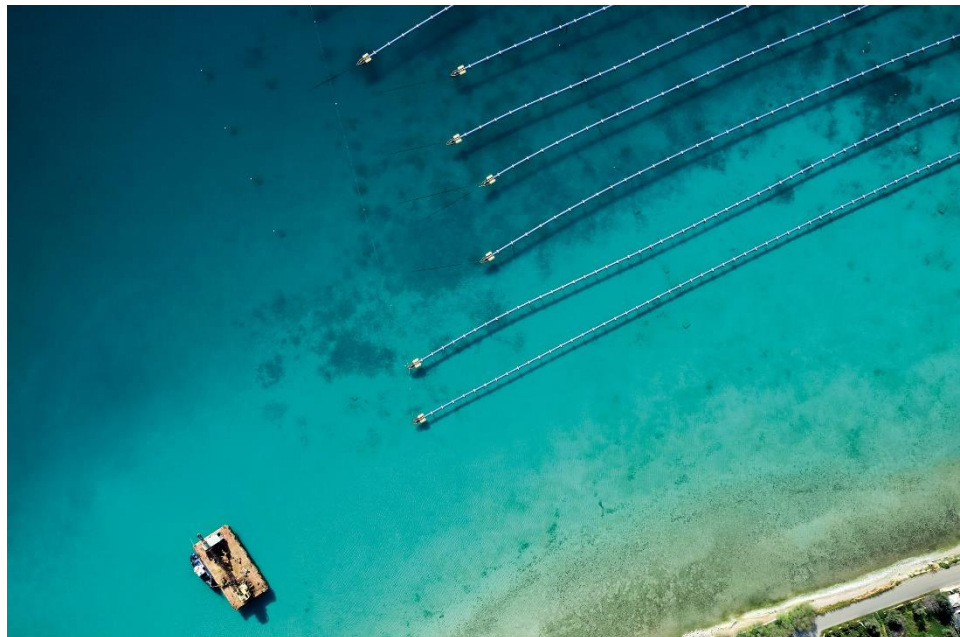


Hybrid **successfully redeemed** on February, 9th 2021

Strong foundations for sustainable growth

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- ① Clear commitment to ESG
- ② Clear focus on core segments and regions
- ③ Enhance earnings growth through innovation, operational excellence and M&A
- ④ Strong cash generation due to consistent execution of our strategy



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2020: Strong results demonstrate resilience despite major challenges

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Revenues

- › **Only 3%** below record levels
- › Volume declines nearly compensated by upgrade of product mix and higher average prices to cover cost inflation



Cash flow & Profitability

- › **+39% free cash flow generation** due to strong operational performance, strict cost and working capital management
- › **Strong EBITDA margins** despite headwinds from Covid-19 impacts



Fast Forward

- › Performance enhancement program progressing well after short interruption in Q2
- › **€ 40 mn** incremental EBITDA contribution

€ 566 mn

EBITDA LFL

above upper end of
guidance range
(€ 545 mn)

Satisfactory results in all three business units

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Building Solutions



in € mn	2020	2019	Chg. in %
External revenue	2,092.1	2,170.6	-4
EBITDA LFL	413.9	455.6	-9
EBITDA	415.2	468.6	-11
EBITDA LFL Margin	19.9%	21.4%	-

- > **Operational Excellence** and **improved product mix** drove robust performance
- > **Increased demand in HY2** especially in renovation and infrastructure business
- > Successfully implemented price increases to cover cost inflation despite challenging business environment

Piping Solutions



in € mn	2020	2019	Chg. in %
External revenue	932.6	959.4	-3
EBITDA LFL	103.7	99.8	+4
EBITDA	97.1	98.2	-1
EBITDA LFL Margin	10.8%	10.4%	-

- > **Excellent business performance** above 2019 record level
- > Stabilization of demand for infrastructure projects, strong development of in-house solutions
- > **Proactive margin management** helped to cover increasing raw material prices

North America



in € mn	2020	2019	Chg. in %
External revenue	325.0	335.7	-3
EBITDA LFL	48.0	38.9	+23
EBITDA	45.7	43.2	+6
EBITDA LFL Margin	14.5%	12.7%	-

- > **Strict cost discipline** and consistent **portfolio upgrade** drove excellent results
- > **Core markets registered growth** in single-family home segment
- > Continuous product upgrade and stabilization of demand in HY2 in Canada, leading to satisfactory performance

Income statement

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in € mn	31.12.2020	31.12.2019	Chg. in %
Revenue	3,354.6	3,466.3	-3
EBITDA LFL	565.6	594.2	-5
EBITDA	558.0	610.0	-9
Operating EBIT	305.1	362.7	-16
Impairment charges to assets	-22.3	0.0	n.a.
Impairment charges to goodwill	-90.4	0.0	n.a.
EBIT	192.5	362.7	-47
Financial result	-43.7	-47.4	+8
Profit before tax	148.7	315.3	-53
Income taxes	-48.8	-52.5	+7
Profit/loss after tax	99.9	262.8	-62
Hybrid coupon and non-controlling interests	11.4	13.7	-17
Net result	88.5	249.1	-64

Impairment due to full write-off of goodwill in North America in Q1 2021

Note: Rounding differences may arise from automatic processing of data

Strong free cash flow generation

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in € mn	2020	2019	Chg. in € mn	Chg. in %
Gross cash flow	440.6	476.7	-36.1	-8
Change in working capital ¹⁾	64.1	-46.9	+111.0	>+100
Maintenance capex	-125.9	-140.1	+14.2	+10
Divestments and other	63.7	39.3	+24.4	+62
Lease payments	-45.2	-42.9	-2.3	-5
Free cash flow	397.3	286.0	+111.3	+39
Special capex	-75.2	-115.4	+40.2	+35
M&A	-10.5	-47.9	+37.4	+78
Dividend & share buyback ²⁾	-87.5	-87.0	-0.5	-1
Hybrid coupon & buyback	-45.7	-41.4	-4.3	-10
Net cash flow	178.4	-5.7	+184.1	>+100

1) Adjusted for changes in the consolidation range, FX, reclassifications and other non-cash transactions // 2) Including dividends paid to non-controlling interests

Note: Rounding differences may arise from automatic processing of data

Strong balance sheet despite reclassification of hybrid bond

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in € mn	31.12.2020	31.12.2019	Chg. in %
Equity ¹⁾	1,749.0	2,076.8	-16
Equity ratio	40.0%	50.3%	-
Net debt	882.1	871.4	+1
Net debt / EBITDA ²⁾	1.6	1.4	-
Gearing	50.4%	42.0%	-

- › Reclassification of **Hybrid bond to financial liabilities** leading to lower equity ratio (called in Dec. 2020 and redemption of € 215 mn in Feb. 2021)
- › **Net debt almost on 2019 level** despite repayment of hybrid bond
- › **Solid net debt / EBITDA ratio of 1.6x after hybrid**

1) 2020: hybrid capital was reclassified as short-term financial liability following decision to call, equity includes non-controlling interest, 2019: Including non-controlling interest and hybrid capital (100% equity according to IFRS) // 2) Based on 12 months rolling EBITDA; Note: Rounding differences may arise from automatic processing of data

Fast Forward program successfully concluded

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>> Goals successfully delivered, with great contribution from all streams, countries and business units

- › EBITDA enhancement of € 110 mn achieved in 2018-2020
- › Additional € 10 mn will be delivered in 2021
- › **Fast Forward methodology will stay** and be applied to our continuous performance enhancement efforts

Significant earnings enhancement
through Operational Excellence measures
to continue



Manufacturing Excellence



Commercial Excellence



Procurement



Supply Chain Management
& General Administration



Turnaround Countries



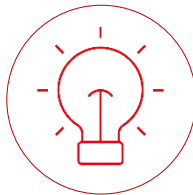
Our self help program embodies the strategic focus areas of our Business Units

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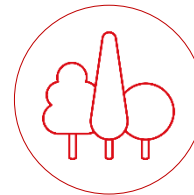
Operational Excellence

- › Operational excellence and continuous improvement as part of **Wienerberger's DNA**
- › Continuous **upgrade of our industrial set-up**



Innovation & Digitalization

- › Transform to a **full system provider**
- › Expansion into **(digital) services**
- › Development of **new products** and designs
- › Increase the share of **recyclable and reusable products**



Sustainability ESG

- › Roll out of existing technologies and new technologies to **reduce energy consumption and CO2 emissions**
- › Supporting the Wienerberger **sustainability targets**
- › Enhance **biodiversity** across all our production sites

Our new self help program with a clear financial ambition

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Growth investments 2021-2023

€ 60 mn p.a.

ESG Capex

in the circular economy, biodiversity and
the reduction of CO₂ emissions

€ 80 mn p.a.

Special Capex

in recyclability, innovative products design and
broadening the range of system solutions

Financial target 2023

€ 135 mn

**Total Enhancement to
annual EBITDA**
vs. 2020 baseline

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Overall healthy environment in our core regions

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- Market growth (>2%)
- Stable development
- Market decline (<-2%)



Western
Europe



Central &
Eastern Europe



Nordics



North America

Newbuild



Renovation



Infrastructure



2021 Guidance

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ASSUMPTIONS

- › Market developments according to our current estimates
- › No further lockdowns assumed

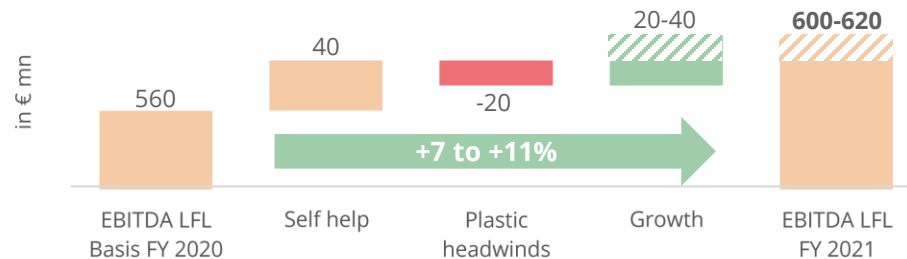
COSTS & PRICES

- › Overall **goal** is to fully **cover cost inflation** in 2021
- › Potential risk
 - › **Price increase of plastic granulates**
 - › Negative earnings effect of up to € 20mn is **reflected in our guidance**

CAPEX

- › Maintenance capex: ~ € 120 mn
- › Growth investment 2021: **Special & ESG € 140-160mn**

EBITDA LFL¹⁾



**Guidance 2021:
EBITDA LFL¹⁾**

€ 600 – 620 mn

1) No contribution from Meridian considered

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