

2021 | 1st Quarter Update



wienerberger

Key Performance Indicators

Earnings Data		1-3/2021	1-3/2020	Chg. in %	1-12/2020
Revenues	in MEUR	796.5	793.3	0	3,354.6
EBITDA LFL ¹⁾	in MEUR	107.2	107.7	0	559.6
EBITDA	in MEUR	106.4	106.1	0	558.0
Operating EBIT	in MEUR	48.8	40.5	+20	305.1
Impairment charges to assets	in MEUR	0.0	-22.5	>100	-22.3
Impairment charges to goodwill	in MEUR	0.0	-93.6	>100	-90.4
EBIT	in MEUR	48.8	-75.5	>100	192.5
Profit before tax	in MEUR	39.7	-84.2	>100	148.7
Net result	in MEUR	27.3	-106.3	>100	88.5
Earnings per share	in EUR	0.24	-0.94	>100	0.79
Free cash flow ²⁾	in MEUR	-138.2	-162.2	+15	397.3
Maintenance capex	in MEUR	21.6	22.9	-6	125.9
Special capex	in MEUR	12.2	11.5	+6	75.2
Ø Employees	in FTE	17,039	17,192	-1	16,619

Balance Sheet Data		31/3/2021	31/12/2020	Chg. in %
Equity ³⁾	in MEUR	1,802.6	1,749.0	+3
Net debt	in MEUR	1,047.6	882.1	+19
Capital employed	in MEUR	2,816.3	2,594.1	+9
Total assets	in MEUR	4,234.9	4,327.0	-2
Gearing	in %	58.1	50.4	-

Stock Exchange Data		1-3/2021	1-12/2020	Chg. in %
Share price high	in EUR	31.20	28.26	+10
Share price low	in EUR	26.16	11.59	>100
Share price at end of period	in EUR	31.20	26.08	+20
Shares outstanding (weighted) ⁴⁾	in 1,000	112,266	112,680	0
Market capitalization at end of period	in MEUR	3,593.9	3,004.1	+20

Operating Segments 1-3/2021 in MEUR and % ⁵⁾	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	478.5 (-4%)	240.7 (+9%)	76.5 (+7%)		795.7 (0%)
Inter-company revenues	0.8 (0%)	0.1 (-19%)	0.0 (0%)	0.0	0.8 (+1%)
Revenues	479.3 (-4%)	240.8 (+9%)	76.5 (+7%)	0.0	796.5 (0%)
EBITDA LFL	76.8 (-8%)	21.2 (+13%)	9.2 (+81%)		107.2 (0%)
EBITDA	78.0 (-5%)	21.2 (+14%)	7.2 (+32%)		106.4 (0%)

1) Adjusted for effects from consolidation, FX, sale of core and non-core 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 // 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.

First quarter 2021 results

Highlights

- › Successful Q1 performance at Group level driven by high demand for our innovative solutions for buildings and infrastructure, despite weather-related delays in project starts
- › Revenues of € 796.5 million matched the previous year's record level (2020: € 793.3 million); EBITDA LFL stable at € 107.2 million (2020: € 107.7 million) in a challenging market environment
- › The financial year 2021 will still be impacted by Covid-19-related developments, rising raw material prices, and bottlenecks in the supply of plastic granulates, but we expect a gradual easing throughout the year
- › Positive market developments expected to continue throughout 2021; Wienerberger looks to the future with optimism and projects EBITDA LFL in the range of € 600 to 620 million for the full year

Heimo Scheuch, CEO, on the result:

"We generated outstanding results in the first quarter, which follow on from the strong performance of the previous year, demonstrating that in recent months we have reacted swiftly and appropriately to the challenging environment. Business in the new build and infrastructure segments was somewhat slower at the beginning of 2021, but was quickly made up for by an excellent March. The first months of the year were characterized by increased renovation activity across all of our markets, where we benefited substantially from our innovative product solutions. These enable us to create sustainable added value and benefits for our customers in line with our Strategy 2023. I am also pleased that the Business Unit North America recorded one of the most successful first quarters in its entire history.



Beyond that, we have succeeded in positioning Wienerberger Piping Solutions as the leading provider of comprehensive solutions for energy and water management in Northern Europe. The acquisition of Inter Act has enhanced our ability to offer smart, digitally-enabled solutions in our markets. We can thus meet the requirements and needs of our customers even better and, in addition, also support the EU in implementing its climate change adaptation strategy.

In view of the above, our outlook for 2021 is positive. We expect to benefit from favorable market developments throughout 2021 and we are looking to the future with optimism. In the short-term, all Business Units are also benefiting from catch-up effects due to the slower start at the beginning of the year. We are cautiously optimistic about public stimulus programs for all core segments but we anticipate that overall market fundamentals will support future growth. This is best illustrated by recent developments in the renovation markets and in the infrastructure segment, which are delivering a solid performance, which is projected to continue. In addition, in North America we observe a fast recovery in all core segments, supported by growing numbers of building permits and public stimulus programs, as well as continuously low mortgage rates.

Our resilient supply chain structures, including local sourcing and successful hedging policies in all our Business Units, will continue to provide some level of protection from rising input prices. Concerning the availability of raw materials, especially the shortage of plastic granulate, we expect that the markets will gradually ease throughout the year, thus not dampening the overall positive outlook for 2021. Therefore, we reaffirm our EBITDA LFL guidance for 2021 of € 600 to 620 million."

Financial Review

Earnings

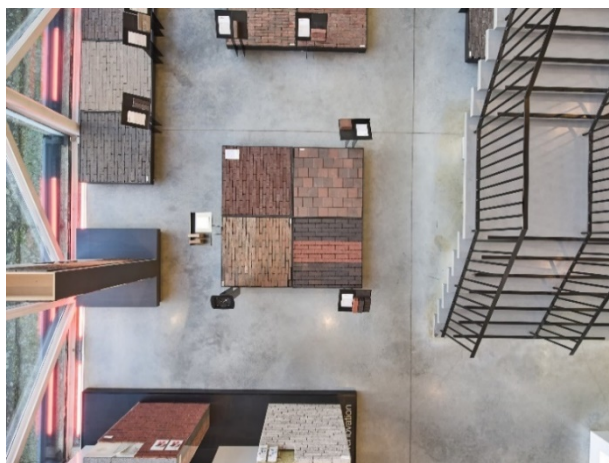
Wienerberger generated revenues of € 796.5 million in the first three months of the 2021 business year. The Wienerberger Group outperformed its expectations and succeeded in surpassing the previous year's value (2020: € 793.3 million), despite negative foreign exchange effects. In the first quarter, negative currency translation effects amounted to a total of € -18.4 million and were primarily attributable to the depreciation of the US dollar, the Turkish lira, the Polish zloty, and the Hungarian forint.

EBITDA LFL amounted to € 107.2 million, despite a challenging market environment, thus remaining stable at the previous year's level (2020: € 107.7 million). In each of the three Business Units of the Wienerberger Group, challenges such as increasing raw material prices and unfavorable weather conditions could be offset by proactive margin management, optimized supply chains, and robust demand for renovation and infrastructure solutions, all of which contributed to the solid result of the first quarter of 2021.

EBITDA LFL does not include negative foreign exchange effects of € -2.5 million, structural adjustment costs of € -1.7 million, results from the sale of real estate in the amount of € 3.1 million, and consolidation effects of € 0.3 million. EBITDA reported by the Wienerberger Group in the first quarter therefore amounted to € 106.4 million, as compared to the previous year's value of € 106.1 million. The operating result before interest and tax (operating EBIT) increased to € 48.8 million, which corresponds to a 20% improvement over the previous year's level (2020: € 40.5 million). In the first quarter of 2021, EBIT was equivalent to operating EBIT, whereas in the previous year impairment charges on goodwill and tangible assets of € 116.1 million had to be taken into account, which resulted in negative EBIT of € -75.5 million. The financial result declined slightly from € -8.7 million in the previous year to € -9.1 million. The Group closed the first quarter of 2021 with a profit before tax of € 39.7 million (2020: € -84.2 million). Adjusted for the tax expense of € -11.4 million, the profit after tax amounted to € 28.3 million (2020: € -103.4 million). Earnings per share amounted to € 0.24 (2020: € -0.94).

Cash Flow

Based on the Group's strong operating performance, gross cash flow increased by 14% to € 84.3 million compared to the previous year. Given the seasonal increase in working capital, cash flow from operating activities was negative at € -119.3 million (2020: € -129.8 million). As a result of the repayment of the hybrid bond in the amount of € -214.6 million, cash flow from financing activities was negative as well at € -147.2 million (2020: € 184.0 million). Overall, this led to a change of € -287.7 million in the Group's cash position (2020: € 20.3 million).



Assets and Financial Position

As compared to 31/12/2020, the Group's net debt increased from € 882.1 million to € 1,047.6 million, primarily due to the seasonal increase in working capital. At the same time, the Group's equity increased by € 53.6 million from its 2020 year-end level to € 1,802.6 million at the end of the first quarter of 2021.

Operating Segments

Highlights

- Sustainable demand in new construction and renovation supported satisfactory results for the Wienerberger Building Solutions Business Unit
- Wienerberger Piping Solutions Business Unit delivered strong performance, thanks to high demand for infrastructure and in-house solutions despite rising raw material prices
- Record result for the North America Business Unit based on strong regional growth in both new construction and infrastructure business

Wienerberger Building Solutions

Despite unfavorable weather conditions, the Business Unit stayed on track, continuing its strong performance of the previous year and reporting a satisfactory start to 2021. Revenues declined slightly by 4% to € 478.5 million (2020: € 500.4 million).

EBITDA LFL amounted to € 76.8 million (2020: € 83.9 million).

Initially, the development of business was slowed down by the late

onset of winter in January and February. However, demand re-

turned to a strong level in March. The strong renovation activities resulted in particularly high demand for our innovative solutions, with plants operating at a high level of capacity across all markets. We continued to see Covid-19-related catch-up effects in some markets, with remaining high demand. In most of our markets, we succeeded in covering cost inflation through price increases.

Key Financials in MEUR	1-3/ 2021	1-3/ 2020	Chg. in %
External Revenue	478.5	500.4	-4
EBITDA LFL	76.8	83.9	-8
EBITDA	78.0	81.9	-5
EBITDA LFL Margin	15.8%	17.1%	-1.2pt

The Western European core markets, which were hit particularly hard by the government-imposed lockdowns in 2020, also performed well overall. Great Britain, our biggest market, returned to its pre-Covid record level, driven by positive market development in residential construction. In France, increasing demand in all product groups translated into growth in earnings. The strict emission control laws in the Netherlands, amongst others, continued to slow down the pace of housing construction activities. However, these effects were largely offset by continuing high demand for our innovative solutions in the roof tile and paver segments. Belgium reported a particularly good start to 2021, supported by the country's stable economic development and high demand for our renovation solutions. In Germany, we continued to focus on our commercial excellence measures; market developments were impacted by weather-related delays in project starts.

In our Eastern European core markets, the harsh winter experienced in certain regions accounted for a late start to the construction season, but operations saw significant catch-up effects in March. In Hungary, state aid programs for families facilitated renovations and construction projects; together with slight Covid-19-related catch-up effects, this made for a good start to 2021. In contrast, Poland experienced harsh winter weather and delivered a weaker performance in a volatile market environment. Our Southern European markets recovered from the impacts of government-imposed lockdowns, with market conditions being satisfactory overall and only slightly below the high level of the previous year.

Wienerberger Piping Solutions

The Wienerberger Piping Solutions Business Unit reported a successful start to 2021. Thanks to our strong market position, revenues increased by 9% to € 240.7 million (2020: € 220.7 million), and EBITDA LFL improved by 13% to € 21.2 million (2020: € 18.7 million). This successful performance was attributable to a strong level of demand for our innovative infrastructure solutions and further growth in earnings in the in-house segment, despite rising raw material prices. The upward price trend, which had already begun last year, continued in Q1 2021, as suppliers were catching up on maintenance work and experienced force majeure events in production, while demand from the USA and Asia has been strong. This, in turn, led to shortages in raw material supply. However, thanks to proactive margin management, we were largely successful in mitigating the effect of rising input costs. Moreover, successful inventory management, long-term supplier relations, and our optimized supply chain enabled us to meet our customers' demand at all times and thus further strengthen our market position.

Key financials in MEUR	1-3/ 2021	1-3/ 2020	Chg. in %
External revenues	240.7	220.7	+9
EBITDA LFL	21.2	18.7	+13
EBITDA	21.2	18.7	+14
EBITDA LFL margin	8.6%	8.5%	+0.2pt

Despite a period of harsh winter weather, the Northern European markets delivered a satisfactory performance, driven by stable infrastructure business. Activities in Norway continued to benefit from sound international project business in water management. The integration of software provider Inter Act, which we acquired at the end of 2020, is progressing as planned. Our infrastructure segment in Eastern Europe had an excellent start and continues to be positively impacted by EU support programs. Moreover, the accelerating renovation business led to significant growth in the in-house segment. Operations in agriculture, comprising the highly profitable business in irrigation and drainage solutions, also had a successful start to the year.

North America

The North America Business Unit delivered a record result in the first quarter of 2021. Despite the depreciation of the US dollar, revenues increased by 7% to € 76.5 million (2020: € 71.4 million). EBITDA LFL improved significantly by 81% compared to the previous year to € 9.2 million (2020: € 5.1 million). The main drivers of this development were the extremely strong performance of the Canadian market and the plastic pipe business in the US.

Key financials in MEUR	1-3/ 2021	1-3/ 2020	Chg. in %
External revenues	76.5	71.4	+7
EBITDA LFL	9.2	5.1	+81
EBITDA	7.2	5.5	+32
EBITDA LFL margin	11.1%	7.2%	+3.9pt

The US brick business suffered from extreme weather conditions at the beginning of the year. As soon as the weather improved in March, work on contracts awarded earlier continued successfully and demand stabilized. In our plastic pipe business, we recorded very high demand for our infrastructure solutions. Combined with continuous performance-enhancing measures in production and sales, these developments led to excellent results. Price increases were successfully implemented in the market.

The acquisition of Meridian Brick is yet another step toward expanding our position in North America. The closing of the transaction is subject to approval by the competition council.

Outlook

Given our strong performance in the first quarter of 2021, we are well on track for a successful year, although visibility is low for the rest of 2021. In the first half of the year, our markets will still be characterized by Covid-19-related uncertainties, but Wienerberger expects to see a recovery of demand in new build and infrastructure in Europe. In the short term, all Business Units will benefit from catch-up effects after the slow start of construction activities at the beginning of the year. An overall healthy market environment in our core segments should support future growth. In North America, Wienerberger observes a fast recovery in all core segments, supported by growing numbers of building permits and public stimulus programs, as well as low mortgage rates.

In the medium term, not least due to Covid-19, issues such as healthy and sustainable housing and the desire for open space around the home will again be gaining in importance. In an effort to boost economic activity in the post-Covid-19 era, we would expect governments to launch stimulus programs for the construction industry. From today's perspective, the measures cannot yet be quantified and will vary from country to country. Further incentives will be created by the EU Green Deal and the infrastructure program in the USA. With our innovative solutions for renovation and infrastructure we are perfectly positioned to benefit from overall market fundamentals supporting future growth and remain cautiously optimistic with regard to certain expected government support programs for all our core segments.

Due to rising raw material prices, margins in the plastic pipe business are temporarily undergoing a certain pressure. The shortage of supply is expected to continue but we await a gradual easing of the market and a notable increase in the quantities produced by the suppliers throughout the year. Regardless of these challenges, we are pursuing the clear goal of offsetting the resultant cost inflation through proactive margin management. However, in certain markets this will only be possible with some delay, and we therefore anticipate a negative effect on EBITDA of up to € 20 million, which has already been factored into our current outlook for the 2021 business year.

Despite the general upward trend of input prices, Wienerberger will continue to benefit from resilient structures in the supply chain, including local sourcing and a strong hedging policy in all Business Units. Moreover, the Group's self-help program with its continued focus on operational excellence, special capex and ESG investments ensures that Wienerberger is well positioned to take advantage of the recovery of its markets. We therefore confirm our outlook for 2021, the target being to increase the Wienerberger Group's EBITDA LFL to € 600 to 620 million, despite the prevailing uncertainties. This target does not include any contribution from the sale of assets, foreign exchange effects, changes in the scope of consolidation, such as the acquisition of Meridian Brick, and structural adjustment costs.

Financial Calendar (Excerpt)

August 11, 2021	Results for the First Half-Year of 2021
November 9, 2021	Results for the First Three Quarters of 2021

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Financial Overview

Consolidated Income Statement

in TEUR

	1-3/2021	1-3/2020
Revenues	796,513	793,251
Cost of goods sold	-529,364	-522,183
Gross profit	267,149	271,068
Selling expenses	-150,675	-158,390
Administrative expenses	-64,537	-60,694
Other operating income	7,462	4,740
Other operating expenses		
Impairment charges to assets	0	-22,475
Impairment charges to goodwill	0	-93,572
Other	-10,627	-16,200
Operating profit/loss (EBIT)	48,772	-75,523
Income from investments in associates and joint ventures	-556	-320
Interest and similar income	585	613
Interest and similar expenses	-9,580	-9,581
Other financial result	496	588
Financial result	-9,055	-8,700
Profit/loss before tax	39,717	-84,223
Income taxes	-11,400	-19,133
Profit/loss after tax	28,317	-103,356
Thereof attributable to non-controlling interests	-114	54
Thereof attributable to hybrid capital holders	1,176	2,929
Thereof attributable to equity holders of the parent company	27,255	-106,339
Earnings per share (in EUR)	0.24	-0.94

Consolidated Balance Sheet

in TEUR

	31/3/2021	31/12/2020
Assets		
Intangible assets and goodwill	648,952	645,570
Property, plant and equipment	1,769,981	1,755,519
Investment property	48,981	50,167
Investments in associates and joint ventures	20,741	23,919
Other financial investments and non-current receivables	38,332	38,441
Deferred tax assets	56,571	55,799
Non-current assets	2,583,558	2,569,415
Inventories	761,468	729,042
Trade receivables	363,047	218,770
Receivables from current taxes	8,442	5,542
Other current receivables	85,168	83,770
Securities and other financial assets	49,107	49,222
Cash and cash equivalents	379,649	666,148
Current assets	1,646,881	1,752,494
Non-current assets held for sale	4,456	5,106
Total assets	4,234,895	4,327,015
Equity and liabilities		
Issued capital	115,188	115,188
Share premium	1,036,170	1,036,170
Retained earnings	974,607	946,176
Other reserves	-266,647	-291,934
Treasury stock	-57,300	-57,300
Controlling interests	1,802,018	1,748,300
Non-controlling interests	573	685
Equity	1,802,591	1,748,985
Deferred taxes	61,923	62,100
Employee-related provisions	139,759	140,648
Other non-current provisions	73,140	73,726
Long-term financial liabilities	1,154,508	1,159,795
Other non-current liabilities	26,182	25,716
Non-current provisions and liabilities	1,455,512	1,461,985
Current provisions	28,779	36,939
Payables for current taxes	12,534	9,696
Short-term financial liabilities	321,885	437,720
Trade payables	300,415	299,873
Other current liabilities	313,179	331,817
Current provisions and liabilities	976,792	1,116,045
Total equity and liabilities	4,234,895	4,327,015

Consolidated Statement of Cash Flows

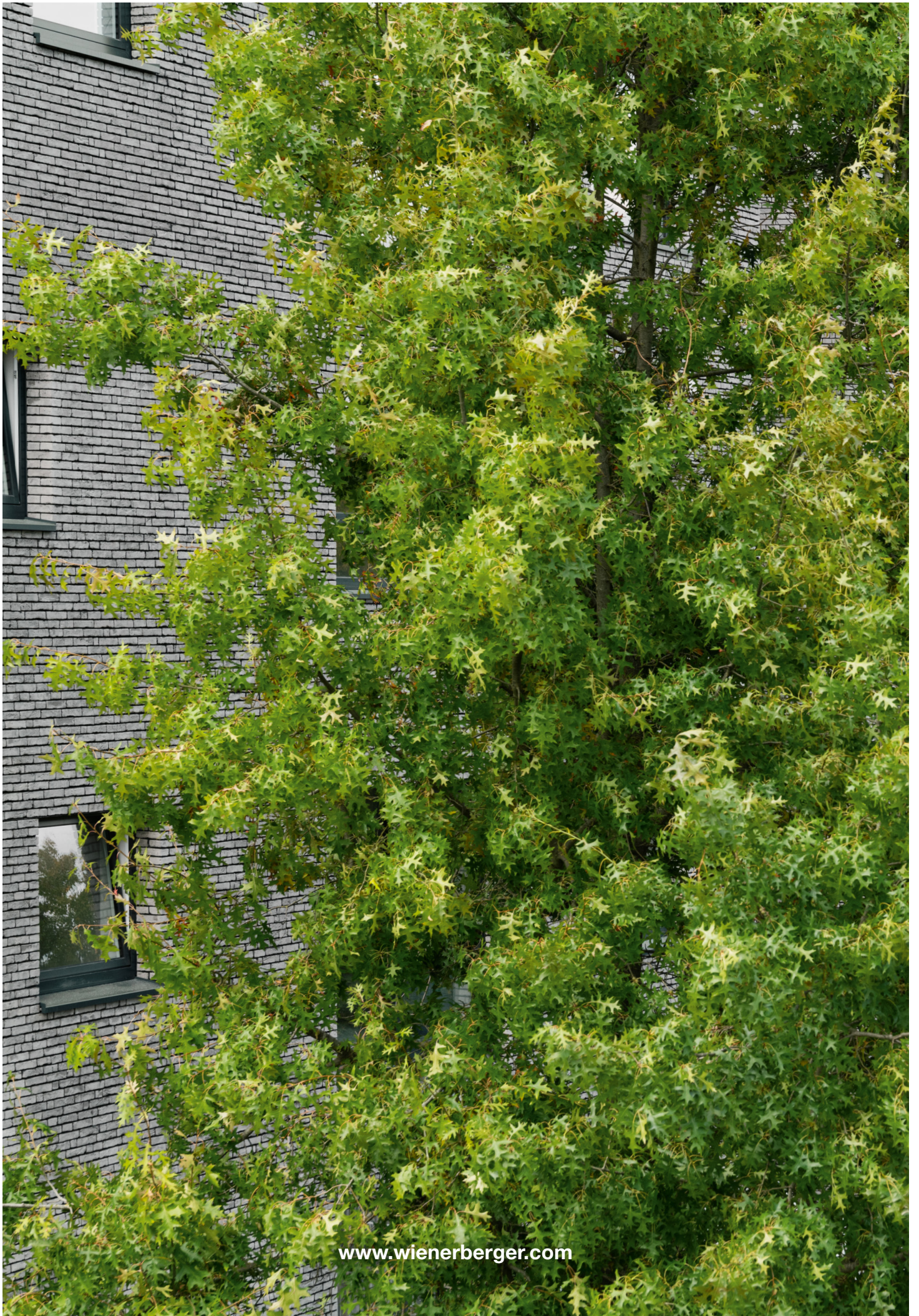
in TEUR

	1-3/2021	1-3/2020
Profit/loss before tax	39,717	-84,223
Depreciation and amortization	57,535	61,577
Impairment charges to goodwill	0	93,572
Impairment charges to assets and other valuation effects	2,426	23,723
Increase/decrease in non-current provisions	-5,054	-4,572
Income from investments in associates and joint ventures	556	320
Gains/losses from the disposal of fixed and financial assets	-3,499	-784
Interest result	8,995	8,968
Interest paid	-5,455	-3,740
Interest received	173	156
Income taxes paid	-11,090	-20,727
Gross cash flow	84,304	74,270
Increase/decrease in inventories	-29,777	-32,013
Increase/decrease in trade receivables	-140,877	-120,451
Increase/decrease in trade payables	-2,395	-38,545
Increase/decrease in other net current assets	-30,523	-13,042
Cash flow from operating activities	-119,268	-129,781
Proceeds from the sale of assets (including financial assets)	7,570	2,416
Payments made for property, plant and equipment and intangible assets	-33,800	-34,400
Payments made for investments in financial assets	0	-2,040
Dividend payments from associates and joint ventures	2,627	2,457
Increase/decrease in securities and other financial assets	4,522	-2,342
Net payments made for the acquisition of companies	-2,172	0
Cash flow from investing activities	-21,253	-33,909
Cash inflows from the increase in short-term financial liabilities	94,565	110,337
Cash outflows from the repayment of short-term financial liabilities	-3,084	-44,170
Cash inflows from the increase in long-term financial liabilities	551	170,006
Cash outflows from the repayment of long-term financial liabilities	-1,766	-199
Cash outflows from the repayment of lease liabilities	-12,069	-12,051
Hybrid coupon paid	-10,732	-12,365
Repayment / buyback hybrid capital	-214,630	-25,492
Purchase of treasury stock	0	-2,103
Cash flow from financing activities	-147,165	183,963
Change in cash and cash equivalents	-287,686	20,273
Effects of exchange rate fluctuations on cash held	1,187	-2,043
Cash and cash equivalents at the beginning of the year	666,148	128,755
Cash and cash equivalents at the end of the period	379,649	146,985

Operating Segments

1-3/2021 <i>in TEUR</i>	Wienerberger Building Solutions	Wienerberger Piping Solutions	North America	Group eliminations	Wienerberger Group
External revenues	478,538	240,704	76,451		795,693
Inter-company revenues	790	51	0	-21	820
Total revenues	479,328	240,755	76,451	-21	796,513
EBITDA	77,978	21,214	7,221		106,413
Operating EBIT	40,208	7,558	1,006		48,772
EBIT	40,208	7,558	1,006		48,772
Profit/loss after tax	25,385	3,699	-767		28,317
Capital employed	1,886,026	618,793	311,509		2,816,328
Total investments	22,750	8,910	2,140		33,800
Ø Employees (in FTE)	12,163	3,447	1,429		17,039

1-3/2020 <i>in TEUR</i>	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



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