



wienerberger

RESULTS H1 2022

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INTRO
RESULTS
H1 2022

H1 2022

STRONG GROWTH IN FIRST HALF OF 2022 ...

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Revenue

€ 2,572 mn

(H1 2021: € 1,868 mn | +38%)

EBITDA reported

€ 549 mn

(H1 2021: € 307 mn | +79%)

Net result

€ 321 mn

(H1 2021: € 113 mn | >+100%)

EBITDA margin

21.3%

(H1 2021: 16.4% | +4.9pp)

... DESPITE A CHALLENGING MARKET ENVIRONMENT

INSTABLE GLOBAL MARKET ENVIRONMENT

- › **High cost inflation**
- › **Rising mortgage rates**
- › **Instability on financial markets**
- › **Ongoing military conflict in Ukraine**

END MARKET DEVELOPMENT & WIENERBERGER PERFORMANCE

NEWBUILD

- › **Certain degree of decline** compared to H1 2021 of minus 2-5% depending on individual markets
- › **Wienerberger vs. market: volumes increased**

RENOVATION

- › **Stable** market development
- › **Wienerberger vs. market: volumes increased**

INFRASTRUCTURE

- › **Stable** market development
- › **Wienerberger vs. market: stable volumes**

GAS & ENERGY TRANSITION

- › **We successfully reduced our dependency on Russian gas to <20%**
- › Thus, we are fully in line with the current EU policy to the further decrease gas consumption by 15%
- › **Gas supply** in all our markets has been **secured**

SUCCESS IN THOSE CHALLENGING TIMES IS BASED ON ...

- › **Hard work** of all our employees
- › **Successful transformation of our business model** leading to **enhanced resilience**
- › **Rising cost inflation covered** through successfully implemented **price increases**
- › **Operational Excellence** and **M&A** delivered strong earnings contribution

WE SUCCESSFULLY OUTPERFORMED COST INFLATION

PROCUREMENT STRATEGY

- › Firmly established, excellent **procurement organization** at Group level
- › **Forward looking procurement strategy** implemented for required input materials & energy

COMPETITIVE ADVANTAGE

- › Procurement strategy ensured **availability** of needed **materials** at **fixed prices**
- › Strategy allows for **gradual & consistent pricing**
- › Enabling Wienerberger to **remain a reliable partner** also in a challenging environment

SUCCESSFUL OUTPERFORMANCE OF COST INFLATION IN H1 2022

COST INFLATION

+16%

IMPLEMENTED PRICE INCREASE

+22%

WE ARE FULLY AWARE OF THE CURRENT VOLATILE SITUATION, BUT WE ARE IDEALLY POSITIONED TO MASTER THESE CHALLENGES

ENVIRONMENT

- › Geopolitical instability
- › Sustained high **cost inflation**
- › Volatile **energy costs**
- › Rising **interest rates**

wienerberger

- › **High demand & order intakes** – across all regions & business areas due to **system solutions and innovation**
- › Strong pricing power – **cost inflation covered**
- › Ongoing **operational excellence** measures implemented
- › **Successful & fast integration of value-creating M&A**

wienerberger
remains geared
for further growth...

... achieving an
operating EBITDA
of

> € 900 mn
in 2022

MAJOR FOCUS TOPICS FOR 2022



ONGOING BUSINESS

- › Fully focus on **satisfying the demand** to **remain a reliable partner** also in challenging times
- › Continuous improvement through ongoing **Operational Excellence** measures

1

ENERGY

- › In the event of energy unavailability, we have prepared **contingency plans** for each country
- › Decreasing the energy dependency through intensified investments in the **energy transition** in the framework of our **ESG strategy**

2

GROWTH

- › **M&A remains a core growth pillar**
- › Acquisition strategy focused on growing the **renovation & infrastructure** segment

1

MAJOR FOCUS TOPICS 2022

WIENERBERGER ENERGY POLICY EMBEDDED IN ESG STRATEGY

CLEAR GOALS: LESS ENERGY DEMAND, LESS CO₂ CONSUMPTION, GREATEST POSSIBLE AVAILABILITY

FORWARD-LOOKING ENERGY MANAGEMENT



1

MAJOR FOCUS TOPICS 2022

ENERGY TRANSITION: APPLICATION OF ALTERNATIVE FORMS OF ENERGY

ESG CAPEX
1 New Technologies

Continuous & successful tests with alternative fuels replacing natural gas:

ELECTRIFICATION

Testing proven electrification technology for various plants and product groups

- > Austria: clay blocks
- > Germany & the Netherlands: roof tiles

SYNGAS & BIOCHAR

Testing use of locally available biofuel in Austria

- > Processing of biomass to syngas & biochar
- > Use of biochar in the raw material mix

BIOGAS

Use of locally available biogas in Denmark

- > Successful application in the facing brick production



Local syngas & biochar production in Ternitz/Austria

1

MAJOR FOCUS TOPICS 2022

REDUCTION OF ENERGY CONSUMPTION THROUGH OPERATIONAL EXCELLENCE

Operational Excellence
2 Process enhancements

Energy efficiency improvements in the production process:

HIGH EFFICIENCY KILN & GREEN ELECTRICITY

Producing clay blocks & roof tiles with nearly zero carbon footprint

- > Austria & United Kingdom

HEAT PUMP SYSTEM

Recovery of energy from dryer exhaust air

- > Netherlands, Austria & United Kingdom

CO₂ CAPTURING

Capturing of CO₂ from kiln flue gas

- > Belgium



Heat pump system in Wienerberger plant in Wolfswaard/Netherlands

1

MAJOR FOCUS TOPICS 2022

FULLY ON TRACK TO ACHIEVE OUR 2023 ESG TARGETS

Decarbonization

2023 target:
-15% CO_{2e}¹⁾ emissions vs. 2020



Circular Economy

2023 target:
100% of new products reuseable or recyclable

2021 achievement:
criteria established, rollout started



Biodiversity

2023 target:
Biodiversity program for **all sites** in place

2021 achievement:
program finalized, rollout started



Group-wide decarbonization efforts

- › **Decarbonization** of raw material recipes
- › **Dematerialization**
- › **Green electricity**
- › Positive effects from **ESG investments**
- › Purchasing **biogas** in Denmark

Urban mining for fully circularity brick

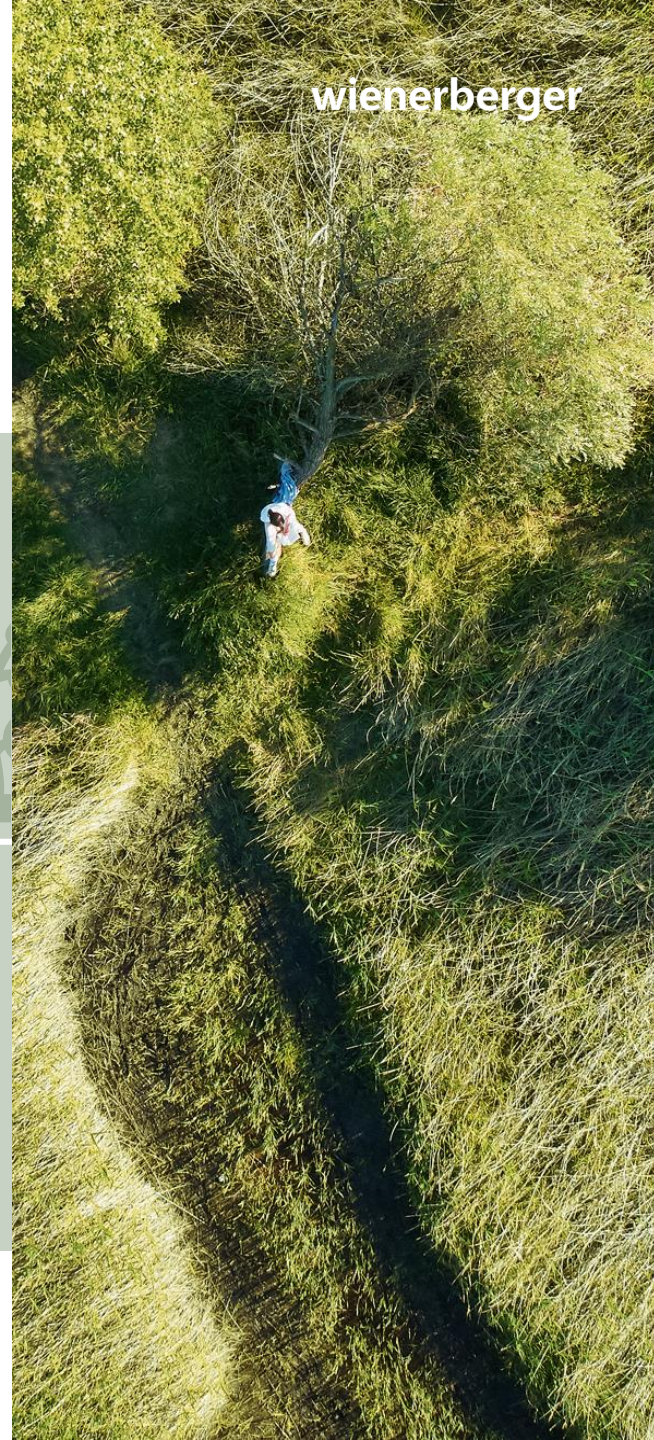
- › **Raw material from demolished buildings**
- › Used for **CicloBrick**, a facing brick produced in the Netherlands

Biodiversity plan implemented

- › Comprehensive catalogue **developed with external experts**
- › **Basis for site-specific biodiversity action plans**



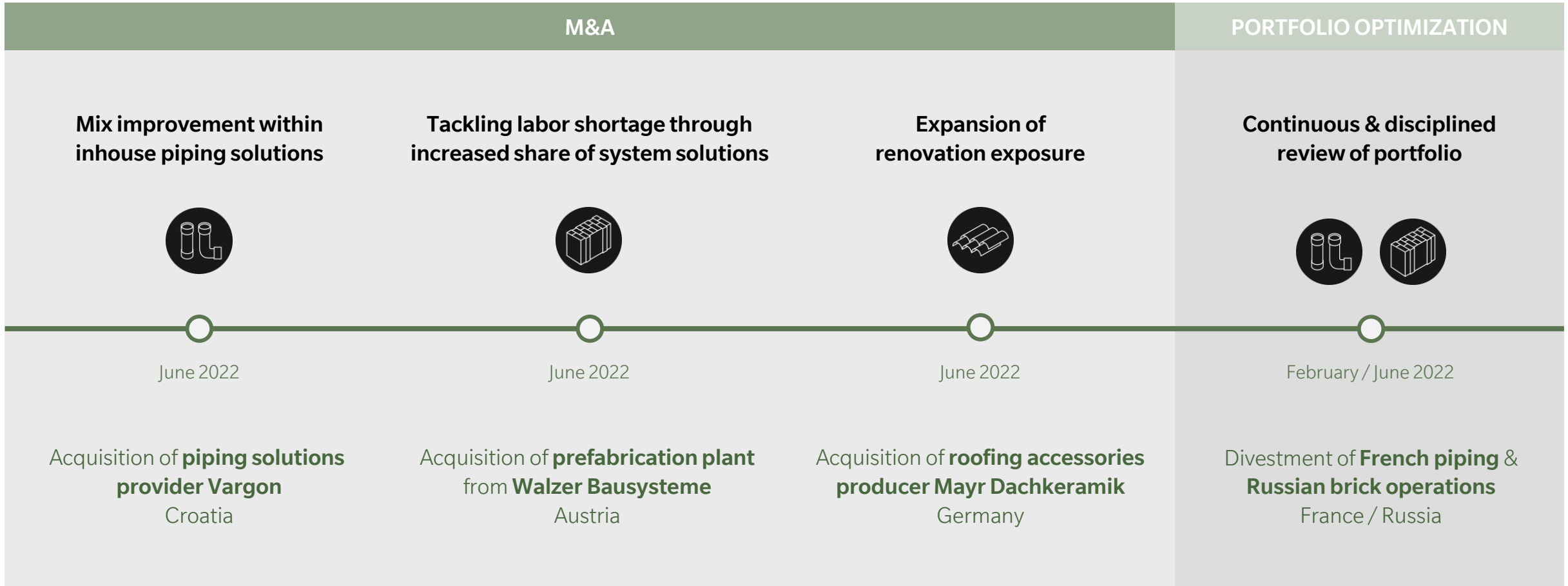
1) "Carbon dioxide equivalents" or "CO_{2e}" is a term used to describe the global warming potential (GWP) of various greenhouse gases in a single unit
Note: All goals are set vs. the reference year 2020 // CO_{2e} emissions refer to Scope 1 & 2, Scope 3 emissions are yet to be reported



2

MAJOR FOCUS TOPICS 2022

CONTINUE WITH BOLT-ON ACQUISITIONS WITH A HIGH STRATEGIC FIT



FINANCIALS

HIGH DEMAND ACROSS ALL REGIONS AND PRODUCT GROUPS

Wienerberger Building Solutions

- › System solutions for the entire building envelope
- › Clay blocks & facing bricks, roof tiles, concrete pavers
- › 23 countries

in € mn	H1 2022	H1 2021	Chg. in %
External revenue	1,358.3	1,115.4	+22
Operating EBITDA	341.4	218.8	+56
Operating EBITDA Margin	25.1%	19.6%	-
EBITDA	344.5	220.3	+56

- › **Good order situation** and **strong demand** for innovative **system solutions** in **new build** and **renovation**
- › **Price increases outperformed cost inflation**
- › **Availability of raw materials and energy** was **given at any time** and **ensured a full capacity utilization** at all sites
- › **Continuous de-bottlenecking** and mild winter additionally **increased production output**

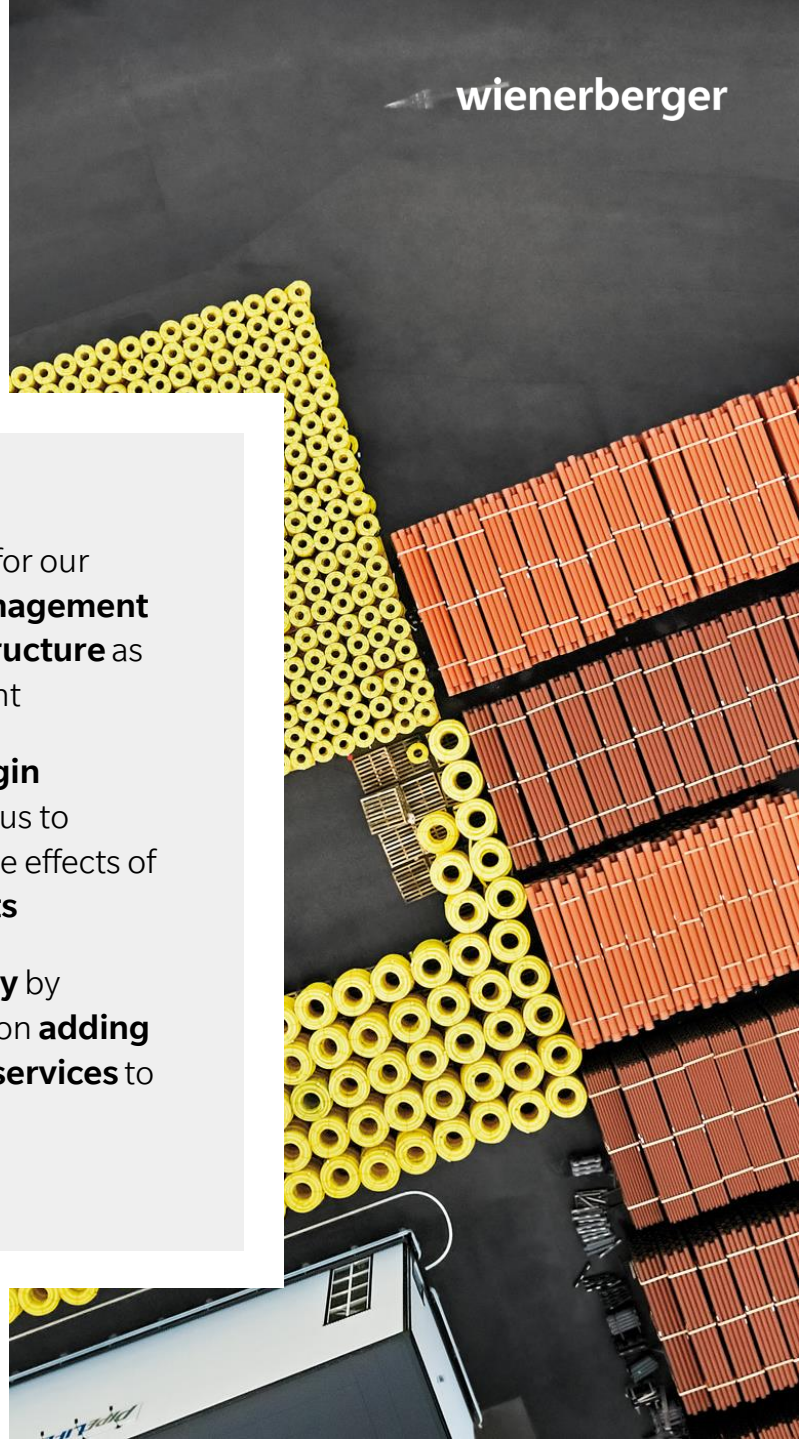
STRONG REVENUE AND EARNINGS GROWTH

Wienerberger Piping Solutions

- › Piping solutions for buildings and infrastructure
- › Pipelife plastic pipes & Steinzeug-Keramo ceramic pipes
- › 25 European countries

in € mn	H1 2022	H1 2021	Chg. in %
External revenue	742.2	569.7	+30
Operating EBITDA	92.7	59.4	+56
Operating EBITDA Margin	12.5%	10.4%	-
EBITDA	92.5	60.9	+52

- › Overall **good demand** for our **water and energy management** solutions in our **infrastructure** as well as **inhouse** segment
- › **Forward-looking margin management** enabled us to **compensate** well for the effects of **rising production costs**
- › **Enhancing profitability** by continuously **focusing** on **adding system solutions** and **services** to our portfolio



ORGANIC GROWTH BY HEALTHY DEMAND AND STRONG CONTRIBUTIONS FROM MERIDIAN BRICK ACQUIRED IN 2021

North America

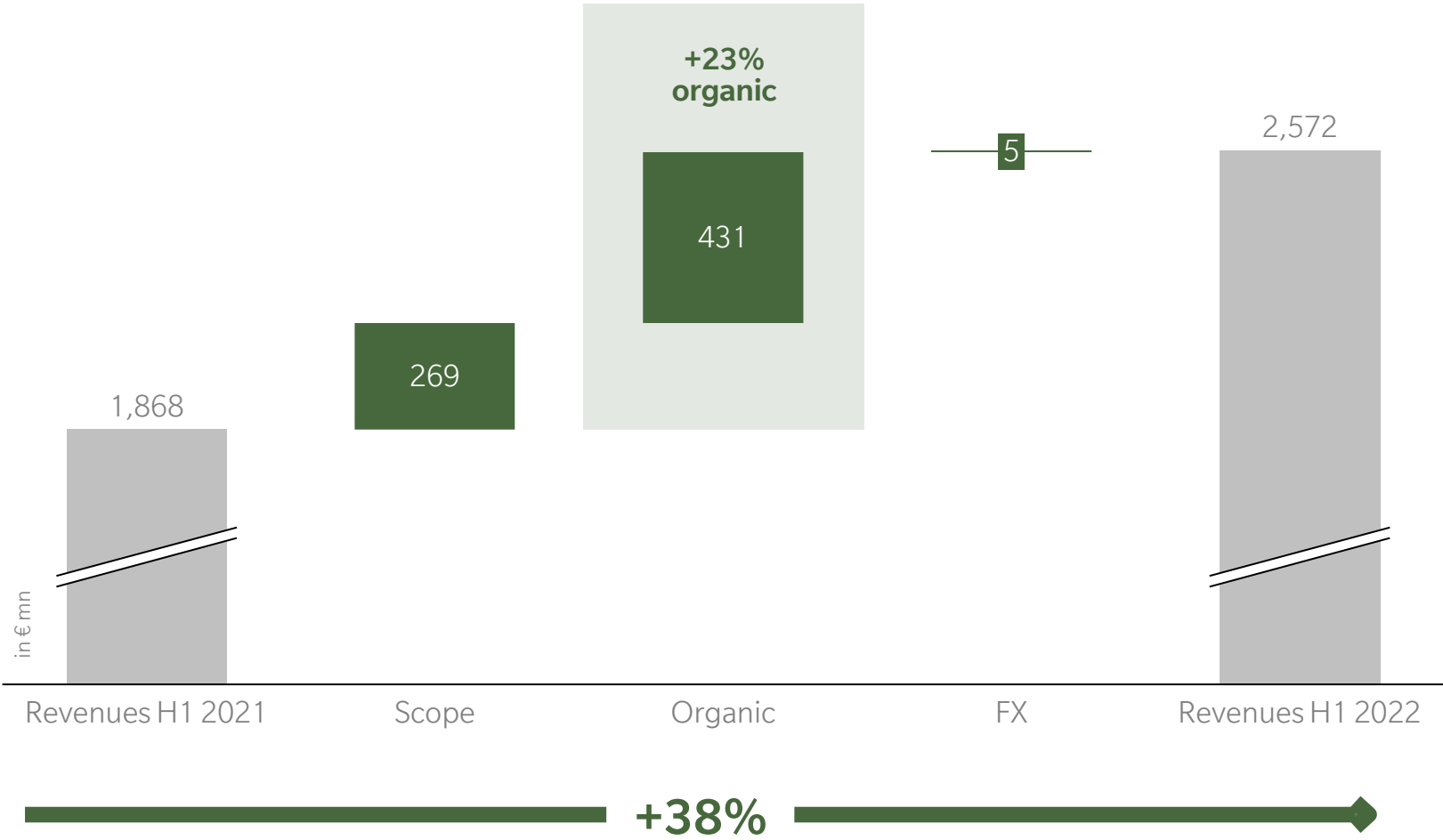
- › Innovative products and system solutions
- › Facing bricks, concrete & calcium silicate products, plastic pipes
- › Located in Canada and U.S.

in € mn	H1 2022	H1 2021	Chg. in %
External revenue	470.6	180.2	>+100
Operating EBITDA	111.2	26.8	>+100
Operating EBITDA Margin	23.6%	14.9%	-
EBITDA	111.7	25.7	>+100

- › **High demand** in **Canada** and **USA** for our **facade solutions** and **pipng systems**
- › **Integration** of **Meridian Brick** progressing **faster than expected**, with **strong synergy effects** already recorded on the cost and revenue side
- › **Strong earnings** in the U.S. **plastic pipe business continued**

REVENUE DEVELOPMENT H1 2022

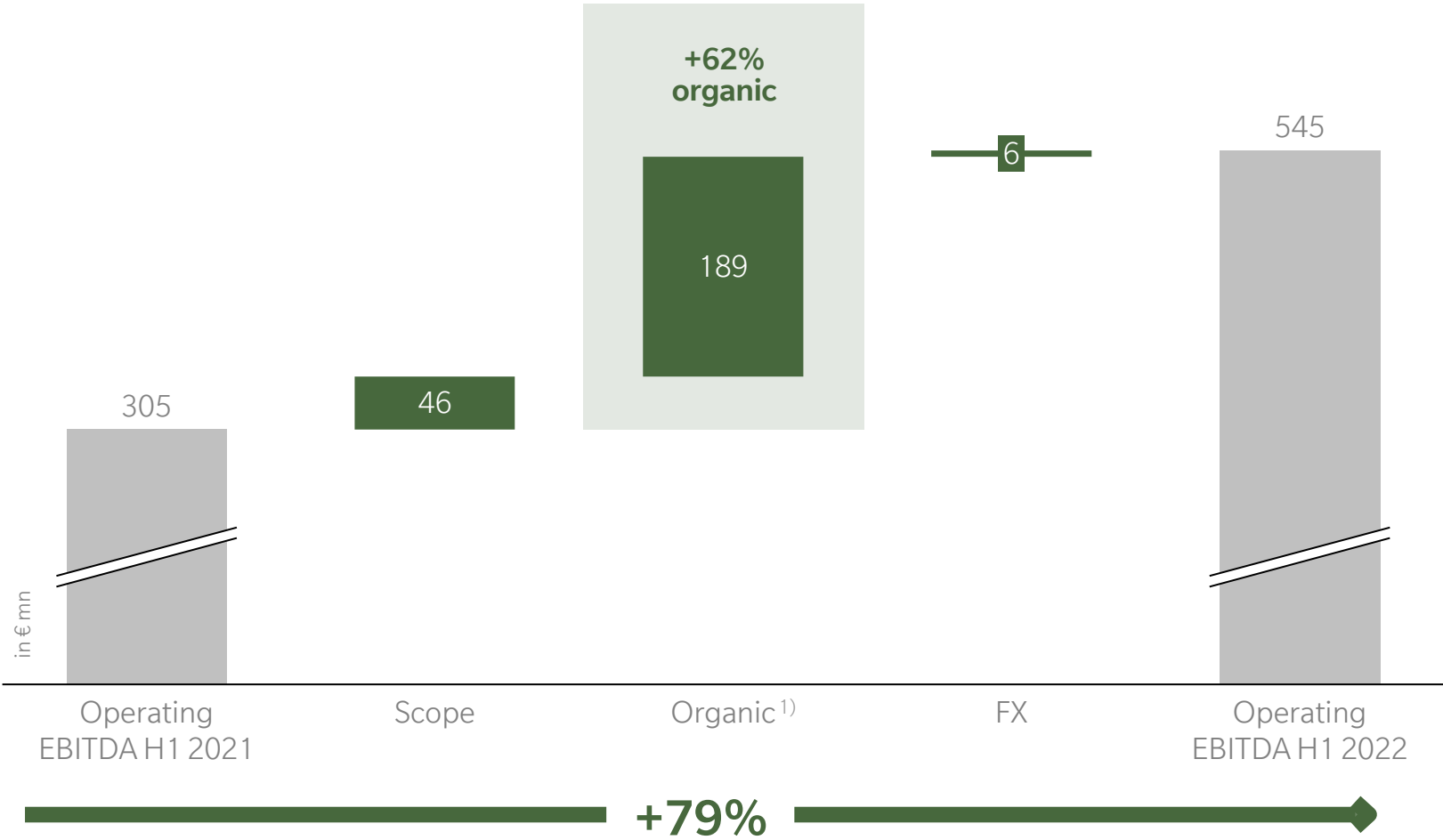
TOTAL REVENUES UP +38%, DRIVEN BY STRONG ORGANIC GROWTH OF +23%



Note: Rounding differences may arise from automatic processing of data

EBITDA DEVELOPMENT H1 2022

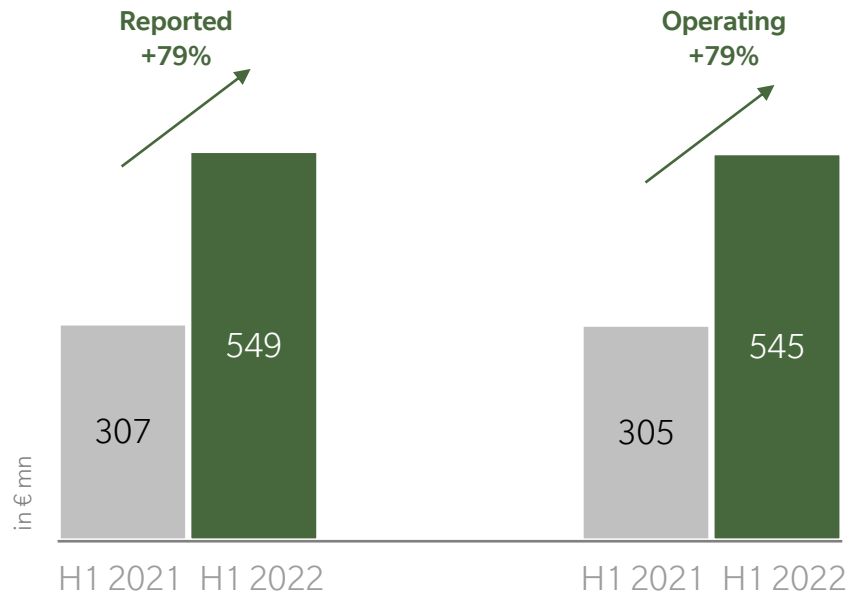
TOTAL EBITDA UP +79%, DRIVEN BY STRONG ORGANIC GROWTH OF +62%



Note: Rounding differences may arise from automatic processing of data
1) Including self help initiatives of € 27 mn

SUBSTANTIAL EARNINGS GROWTH AND STRONG CONTRIBUTION FROM VALUE-CREATING M&A

EBITDA DEVELOPMENT



Note: Rounding differences may arise from automatic processing of data

EBITDA adjustments	H1 2022	H1 2021
in € mn		
EBITDA reported	548.8	307.0
Sale of assets ¹⁾	-3.5	-5.1
Structural adjustments ²⁾	0.1	3.1
Operating EBITDA	545.4	305.0

EBITDA reported in H1 2022 includes

- > **€ 45.7 mn** from consolidation
- > **€ 5.6 mn** from FX

1) Sale of non-core assets

2) Costs related to repositioning and restructuring of selected businesses

WE HAVE MANAGED TO KEEP ENERGY COSTS WELL UNDER CONTROL AND REMAINED A RELIABLE & PREDICTABLE PARTNER TO OUR CUSTOMERS

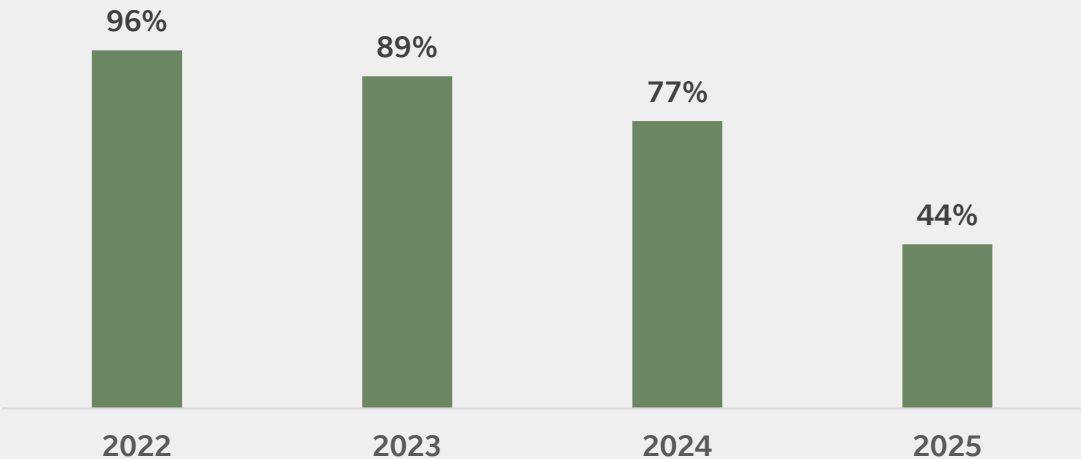
WIENERBERGER ENERGY STRATEGY

Our policy is to **buy gas and electricity volumes forward based on our production planning** on a continuous basis to

- i. ensure volumes,
- ii. protect against price increases, and
- iii. ensure predictable pricing to our customers.

GAS VOLUMES ENSURED FOR 2022-2025

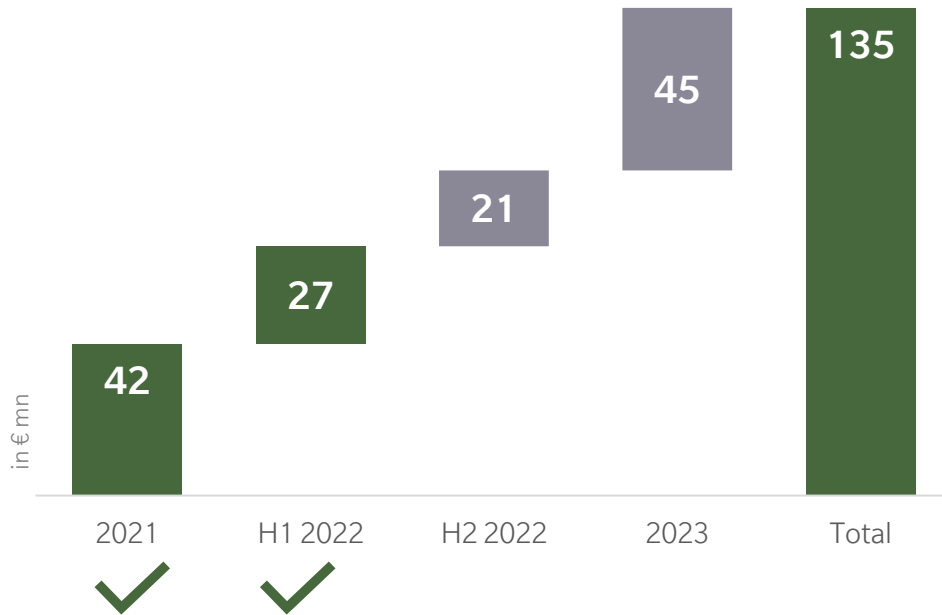
as of 30 June 2022



Note: In Bulgaria, Romania and Serbia energy buying forward is not possible due to government regulations.

SELF HELP PROGRAM DELIVERS STRONG EARNINGS CONTRIBUTION OF € 27 MN IN H1 2022

EBITDA CONTRIBUTION



Fully on track to deliver € 135 mn earnings enhancement

EXPECTED PROGRAM CONTRIBUTION IN 2022

- ~40% **Innovation & organic growth**
Impact on revenues and cost of sales
- ~35% **Manufacturing excellence**
Impact on cost of sales
- ~20% **Procurement**
Impact on cost of sales and overhead costs
- ~5% **SCM & General administration**
Impact on cost of sales and overhead costs

EXCELLENT FINANCIALS REFLECTING STRONG BUSINESS PERFORMANCE

23% organic revenue growth

driven by continuous focus on
innovation & system solutions

Significant earnings growth

- › Operating EBITDA: **€ 545 mn | +79%**
- › Operating EBIT: **€ 408 mn | +125%**
- › Net result: **€ 321 mn | +185%**

Self help and M&A

Self help: Earnings contribution from continuous Operational Excellence measures of **€ 27 mn**

M&A: Value-creating acquisitions result in earnings contributions of **€ 46 mn**

Strong cash generation

- › Free cash flow: **€ 131 mn | +196%**
- › Cash conversion rate: **92%**

Low financial leverage

thanks to disciplined balance sheet management

- › **Net debt / EBITDA: 1.4x**

Attractive shareholder return

- › **€ 234 mn distributed to shareholders** in H1 2022 in the form of share buyback & dividend
- › Share buyback program extended to **~7.7%** of share capital



OUTLOOK 2022

FAIRLY STABLE DEVELOPMENT FOR RENOVATION & INFRASTRUCTURE, CERTAIN DEGREE OF DECLINE FOR NEW BUILD EXPECTED

END MARKETS

NEWBUILD

- › Markets are **underbuilt** and **demand for housing remains high**
- › However, we expect to see a **certain decline in the newbuild markets** in Europe and North America of up to minus 5% for H2, in line with the first half of this year

RENOVATION

- › Considerable amounts of **funding is available** to enhance the energy efficiency of the aging building stock and thus reduce CO₂ emissions (EU Green Deal as well as through national initiatives)
- › We expect a **stable development**

INFRASTRUCTURE

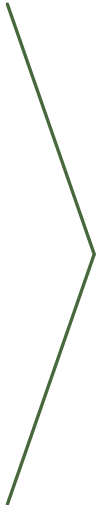
- › Substantial **funding** for modernization and repair of water and energy network in Europe and in North America
- › We expect a **stable development**

ENERGY & COST INFLATION

- › We assume availability of gas to also be secured in H2 2022
- › **Successfully reduced dependency on Russian gas to <20%**, which is fully in line with the current EU policy to the further decrease gas consumption by 15%
- › Continuation of enhanced investments in energy transition
- › **Cost inflation** at Group level is expected to **slightly decrease** for FY 2022

GUIDANCE ASSUMPTIONS












- › Continuous **availability of energy**
- › **No overspill of the Russia-Ukraine conflict**
- › **No recessionary developments** in Europe & North America






GUIDANCE FOR FY 2022

OPERATING EBITDA
> € 900 mn

WIENERBERGER END MARKETS IN H2 2022

	 WESTERN EUROPE	 CENTRAL & EASTERN EUROPE	 NORTH AMERICA
NEW BUILD			
RENOVATION			
INFRASTRUCTURE			

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



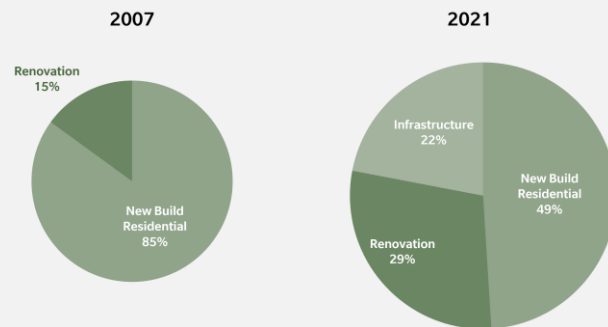
WIENERBERGER BEYOND 2022

WIENERBERGER TODAY

BUSINESS MODEL SUCCESSFULLY TRANSFORMED

wienerberger today

- > more diversified,
- > resilient &
- > adaptive



> **50%** revenue from
renovation & infrastructure

- > **Highly effective production network**
- > **Highly innovative product portfolio**
- > **Disciplined M&A track record** with a clear focus on the further transformation of the Group
- > Proven track record of **cost reduction in downturn scenarios:**
 - > Minimizing production costs
 - > Reduction of overhead costs
 - > Reduced share of fixed costs thanks to piping business

WE EXPECT A CHALLENGING, BUT MANAGEABLE ENVIRONMENT IN 2022+

MARKETS

Structural undersupply of building materials

- › **Pent-up demand**
- › **Housing** as strong **protection against inflation**
- › **Social housing** emerging to significant growth market
- › Challenges: financing, availability of land & labor, affordability

NEW BUILD



- › **No overbuilt markets, no overcapacities, inherent demand for housing**
- › Slowdown in certain markets expected of up to -10%

RENOVATION



- › **Carbon neutrality target** drives renovation of housing stock
- › Significant public stimuli through **EU Green Deal**
- › Stable markets

INFRASTRUCTURE



- › Need for **modernization of water networks**
- › **Public stimuli** in Europe & North America
- › Stable markets

COST INFLATION

Price levels in total expected to stay at elevated levels

- › **Raw materials** prices **slightly declining**
- › **Personnel cost** as **major cost driver**
- › **Strong track record in covering cost inflation by pricing to continue**

ENERGY

Energy costs under control, intensified energy transition

- › **Ambitious CO₂ targets** in place require a substantial reduction of fossil fuels
- › To increase the **energy independency**, we **intensify** the **energy transition** with focus on local procurement
 - › Electricity & hydrogen
 - › Biogas & syngas
- › **Dependency on Russian gas <20%**

WE WILL CONTINUE OUR SUSTAINABLE GROWTH STRATEGY

Continuation of proven growth strategy



**Organic growth through
Digitalization, innovation & system solutions**

+23% organic growth in H1 2022 ✓



**Performance enhancement through
Operational Excellence**

€ 179 mn in 2018-H1 2022 ✓



**Inorganic growth through
M&A and portfolio optimization**

extremely fast integration of Meridian Brick and FloPlast – **strong earnings contributions** ✓



Well prepared to continue to outperform our markets

Adaptive business model

We are prepared for any scenario

- > We can **quickly adapt** to a changed market environment, as demonstrated during the pandemic
- > We are able to **rapidly adjust our cost base**
- > We will fully focus on **maintaining our high profitability**

Energy transition

We accelerate the energy transition of our industrial base with focus on local energy procurement

Market outperformance

We confirm our long-term revenue growth target of GDP +2%

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ANNEX



STRONG PERFORMANCE IN H1

- › **Strong results** despite a challenging environment on the back of **high demand** in **all markets** and **product groups**
- › Disciplined sales price implementation **overcompensating cost inflation**
- › **Forward-looking procurement policy** and **continuous efficiency gains** led to strong **organic growth** despite **volatile price dynamics** for energy and raw materials
- › **Acquisitions** done in 2021 generated **strong earnings contributions** based on a sound integration

External revenues (in € mn)	H1 2022	H1 2021	Chg. in %
Wienerberger Building Solutions	1,358.3	1,115.4	+22
Wienerberger Piping Solutions	742.2	569.7	+30
North America	470.6	180.2	>+100
Wienerberger Group	2,571.1	1,865.3	+38

Operating EBITDA ¹⁾ (in € mn)	H1 2022	H1 2021	Chg. in %
Wienerberger Building Solutions	341.4	218.8	+56
Wienerberger Piping Solutions	92.7	59.4	+56
North America	111.2	26.8	>+100
Wienerberger Group	545.4	305.0	+79

1) Adjusted for effects from sale of core and non-core assets as well as structural adjustments

STRONG PERFORMANCE IN OPERATING BUSINESS LED TO AN EXCELLENT PROFIT GROWTH

in € mn	H1 2022	H1 2021	Chg. in %
Revenues	2,571.9	1,867.5	+38
Operating EBITDA	545.4	305.0	+79
EBITDA	548.8	307.0	+79
Operating EBIT	408.3	181.3	>+100
Impairment charges to assets	-14.8	0.0	<-100
Impairment charges to goodwill	0.0	-10.7	>+100
EBIT	393.5	170.6	>+100
Financial result	-19.7	-25.9	+24
Profit before tax	373.8	144.7	>+100
Income taxes	-52.7	-31.1	-69
Profit/loss after tax	321.1	113.6	>+100
thereof hybrid coupon and non-controlling interests	0.2	1.0	-80
Net result	320.9	112.6	>+100

Note: Rounding differences may arise from automatic processing of data

STRONG OPERATING PERFORMANCE WITH GOOD CASH GENERATION

in € mn	H1 2022	H1 2021	Chg. in € mn	Chg. in %
Gross cash flow	483.6	236.9	246.8	>+100
Change in working capital	-290.8	-146.2	-144.6	-99
Maintenance Capex	-43.8	-43.3	-0.6	-1
Divestments and other	10.0	20.3	-10.3	-51
Lease payments	-28.2	-23.6	-4.6	-20
Free cash flow	130.9	44.2	86.7	>+100
Special Capex	-54.4	-32.0	-22.4	-70
M&A	-14.5	-6.8	-7.6	<-100
Purchase of treasury shares	-150.9	0.0	-150.9	<-100
Dividend	-83.9	-67.4	-16.5	-25
Hybrid coupon & buyback	0.0	-225.4	225.4	>+100
Net cash flow	-172.7	-287.4	114.6	+40

Note: Rounding differences may arise from automatic processing of data