



wienerberger

RESULTS Q1 2023

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INTRO RESULTS Q1 2023



WIENERBERGER NAVIGATES STRONGLY THROUGH CHALLENGING MACRO ENVIRONMENT

MACRO ENVIRONMENT

- › **Geopolitical instability**
- › Prevailing high **cost inflation**
- › Further interest rate hikes leading to rising **mortgage rates**

END MARKETS

New build

Downward trend since Q2 2022 continued; decline most pronounced in Eastern Europe

Renovation

Overall lower renovation activity, with the exception of good demand in Western Europe

Infrastructure

Decline in market more pronounced in Eastern Europe and North America

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- › Forward-looking **purchasing policy**
- › Strict **cost management** based on softening markets
- › Successfully **covering cost inflation**
- › Efficient **working capital management** ensuring **ideal inventory levels**
- › **Availability of energy ensured** through long-term forward buying strategy
- › Continued strong **focus on innovation**
- › Ongoing **Operational Excellence** measures contributing **€ 11 mn**

Q1 2023

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STRONG FINANCIALS DESPITE DECLINING MARKETS REFLECT RESILIENT BUSINESS MODEL

Revenue

€ 1,052 mn

(Q1 2022: € 1,157 mn | -9%)

Operating EBITDA

€ 209 mn

(Q1 2022: € 225 mn | -7%)

Net result

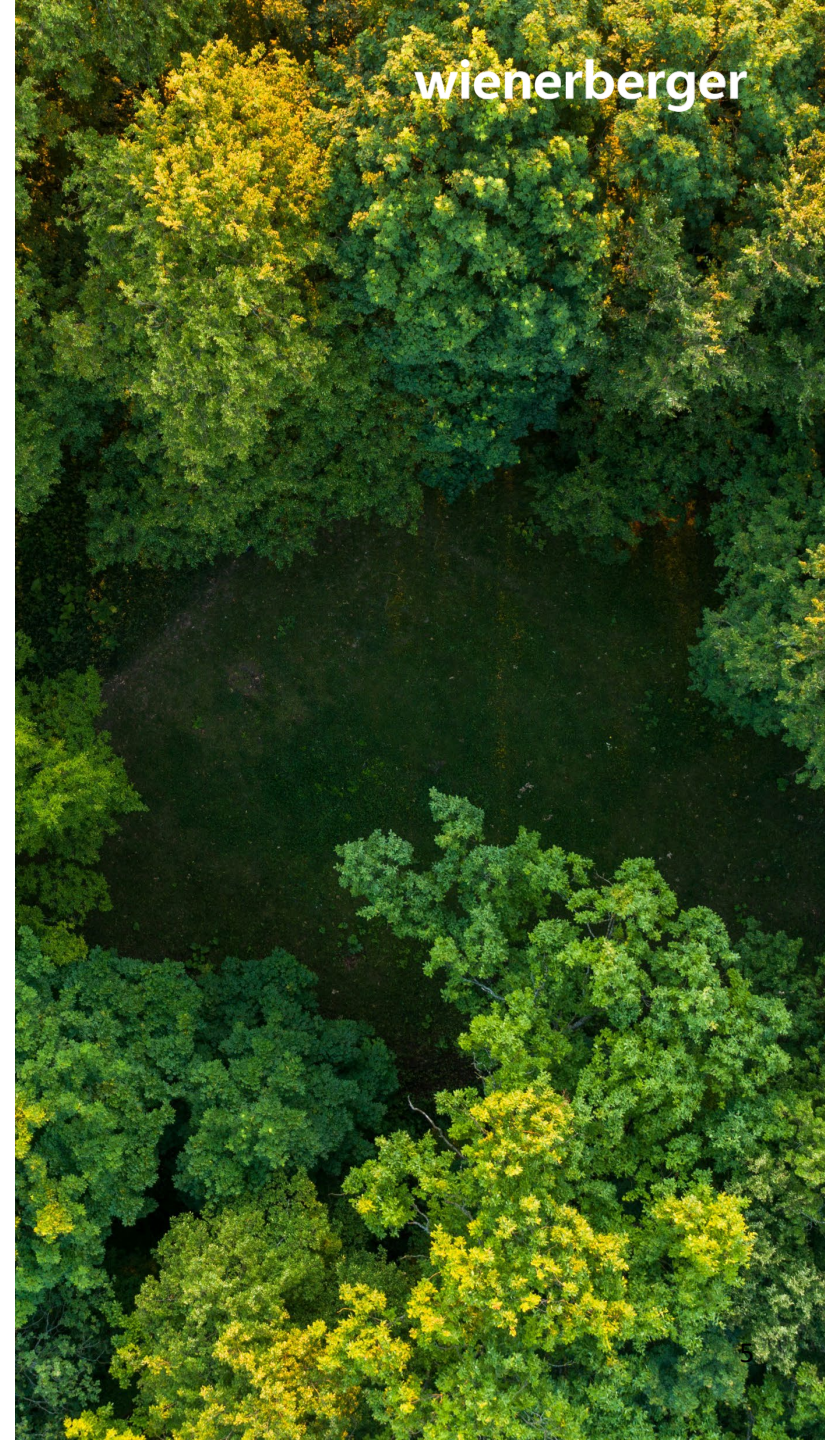
€ 101 mn

(Q1 2022: € 113 mn | -11%)

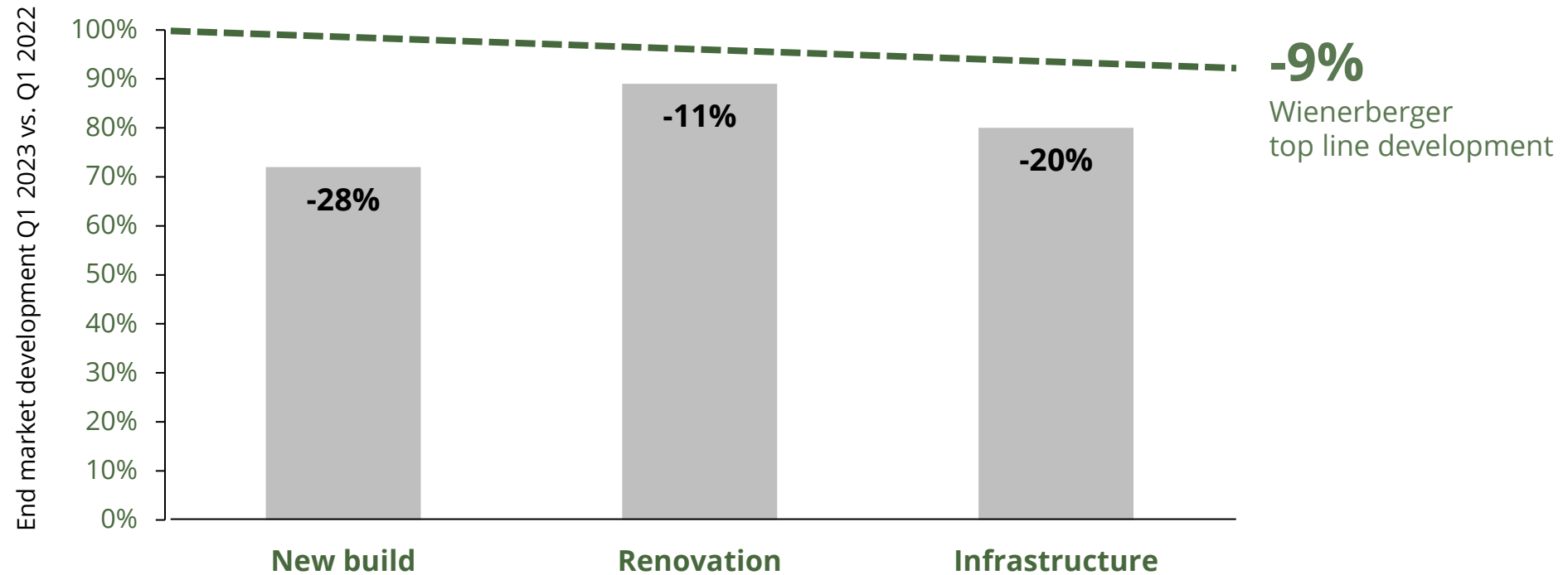
Operating EBITDA margin

19.8%

(Q1 2022: 19.5% | +30bp)



WITH ONLY 9% DECREASE IN REVENUES, WIENERBERGER OUTPERFORMS STRONGLY DECLINING END MARKETS



PRO-ACTIVE COST MANAGEMENT TO ADDRESS SLOWING MARKET DEMAND

COST MANAGEMENT

- › Production cost savings
- › Well prepared & efficient production standstills
- › Overhead cost savings

Strict & disciplined **cost management**
significantly contributes to
mitigate volume-related earnings effect



KEEPING COST INFLATION UNDER CONTROL THANKS TO FORWARD-LOOKING PROCUREMENT STRATEGY

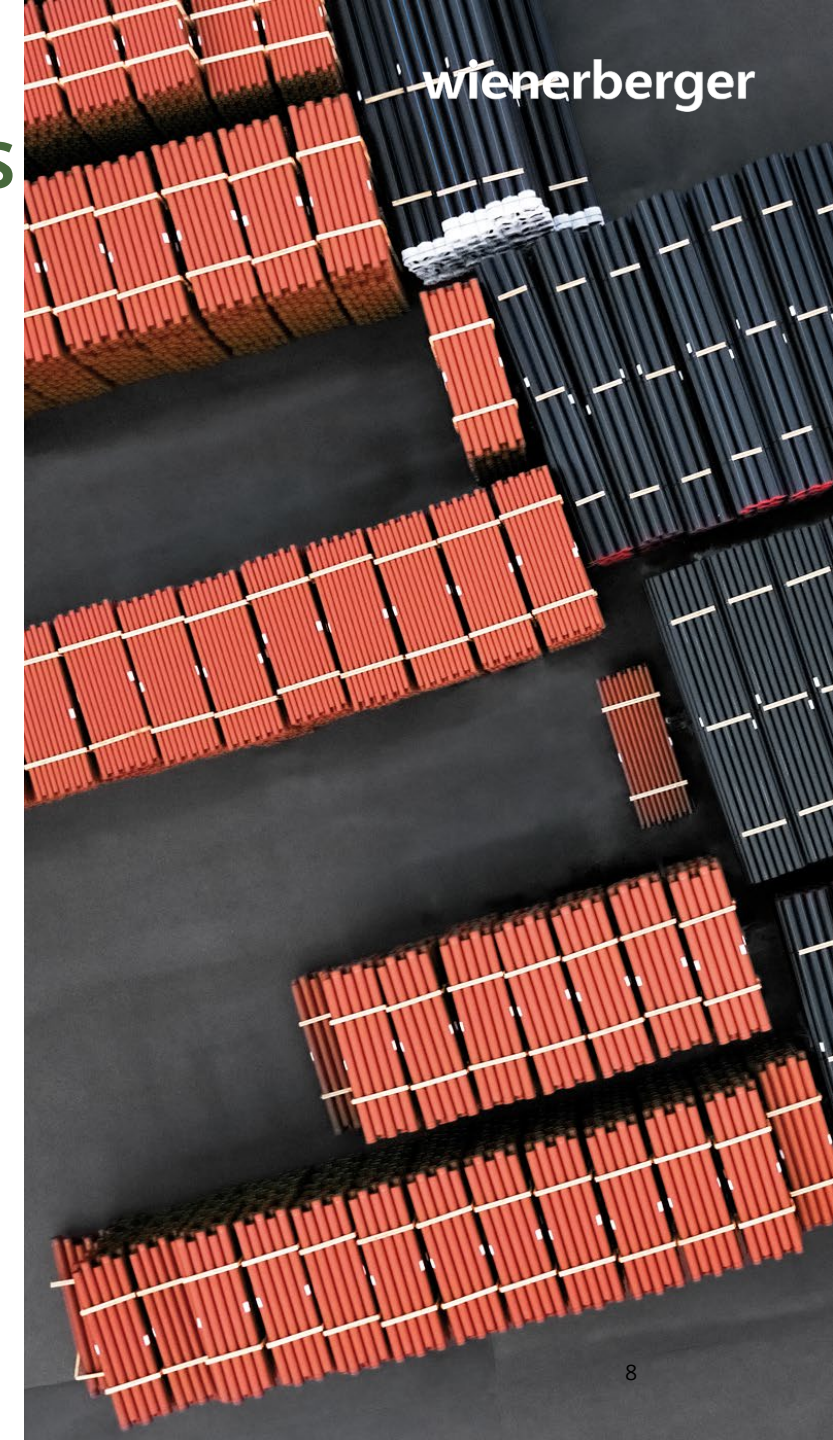
PROCUREMENT STRATEGY

- › 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

WIENERBERGER COST INFLATION
IN Q1 2023:

9%

Successful outperformance of cost inflation



SOUND SELF HELP CONTRIBUTION IN Q1 2023

SELF HELP INITIATIVES

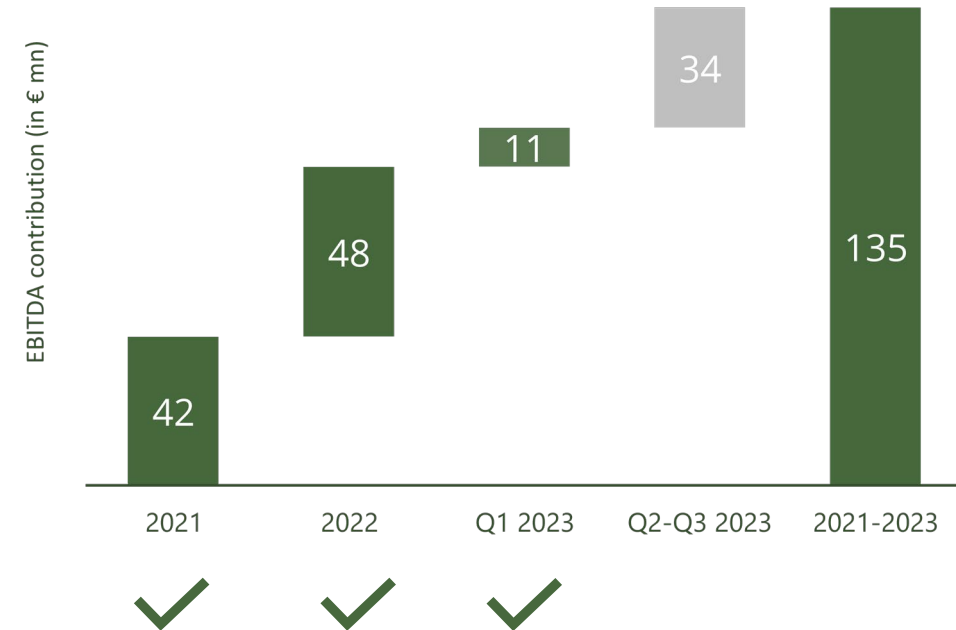
EBITDA in Q1 contribution coming majorly from

- › **Innovation**
- › **Manufacturing Excellence**

SELF HELP CONTRIBUTION
IN Q1 2023:

€ 11 MN

EBITDA CONTRIBUTION



Fully on track to deliver € 135 mn
earnings enhancement

FINANCIALS Q1 2023

CHANGE IN OPERATIONAL STRUCTURE DUE TO SUCCESSFUL TRANSFORMATION INTO SYSTEM SOLUTIONS PROVIDER



STRONG FINANCIALS DESPITE DECLINING MARKETS REFLECT RESILIENT BUSINESS MODEL

Strong results in a **challenging environment** with pressure on demand in our end markets new build and infrastructure while renovation stays comparatively strong

Excellent **cost management**, our **forward-looking procurement** policy in combination with proactive **margin management** and ongoing **efficiency enhancement measures** significantly contributed to the strong set of results

External revenues (in € mn)	Q1 2023	Q1 2022	Chg. in %
Europe East	300.9	348.6	-14
Europe West	556.0	600.2	-7
North America	195.2	207.5	-6
Wienerberger Group	1,052.2	1,156.3	-9

Operating EBITDA (in € mn)	Q1 2023	Q1 2022	Chg. in %
Europe East	59.0	84.8	-30
Europe West	102.3	98.2	+4
North America	47.4	42.5	+11
Wienerberger Group	208.6	225.5	-7

Note: Operating EBITDA adjusted for effects from sale of core and non-core assets as well as structural adjustments; Rounding differences may arise from automatic processing of data

SOLID PERFORMANCE DESPITE SIGNIFICANT MARKET DECLINE

EUROPE EAST

- › System solutions for the building envelope (wall and roof) and for wastewater and rainwater disposal, sanitation, heating and cooling installations and energy, gas and drinking water supply
- › 14 countries

in € mn	Q1 2023	Q1 2022	Chg. in %
External revenue	300.9	348.6	-14
Operating EBITDA	59.0	84.8	-30
Operating EBITDA margin	19.6%	24.3%	-
EBITDA	59.9	85.5	-30

- › Extremely high mortgage rates led to significant **decline of new build activities**
- › **Renovation activities subdued** compared to very strong prior year
- › Decline in **infrastructure** projects driven by increased financing costs
- › Profitability decreased due to **prolonged standstills** in new build-exposed clay block business
- › Immediate measures helped to reduce costs and counteract the softening markets (e.g. adjusted plant capacities)

Note: Rounding differences may arise from automatic processing of data

EXCELLENT START TO THE YEAR REFLECTED IN INCREASED PROFITABILITY

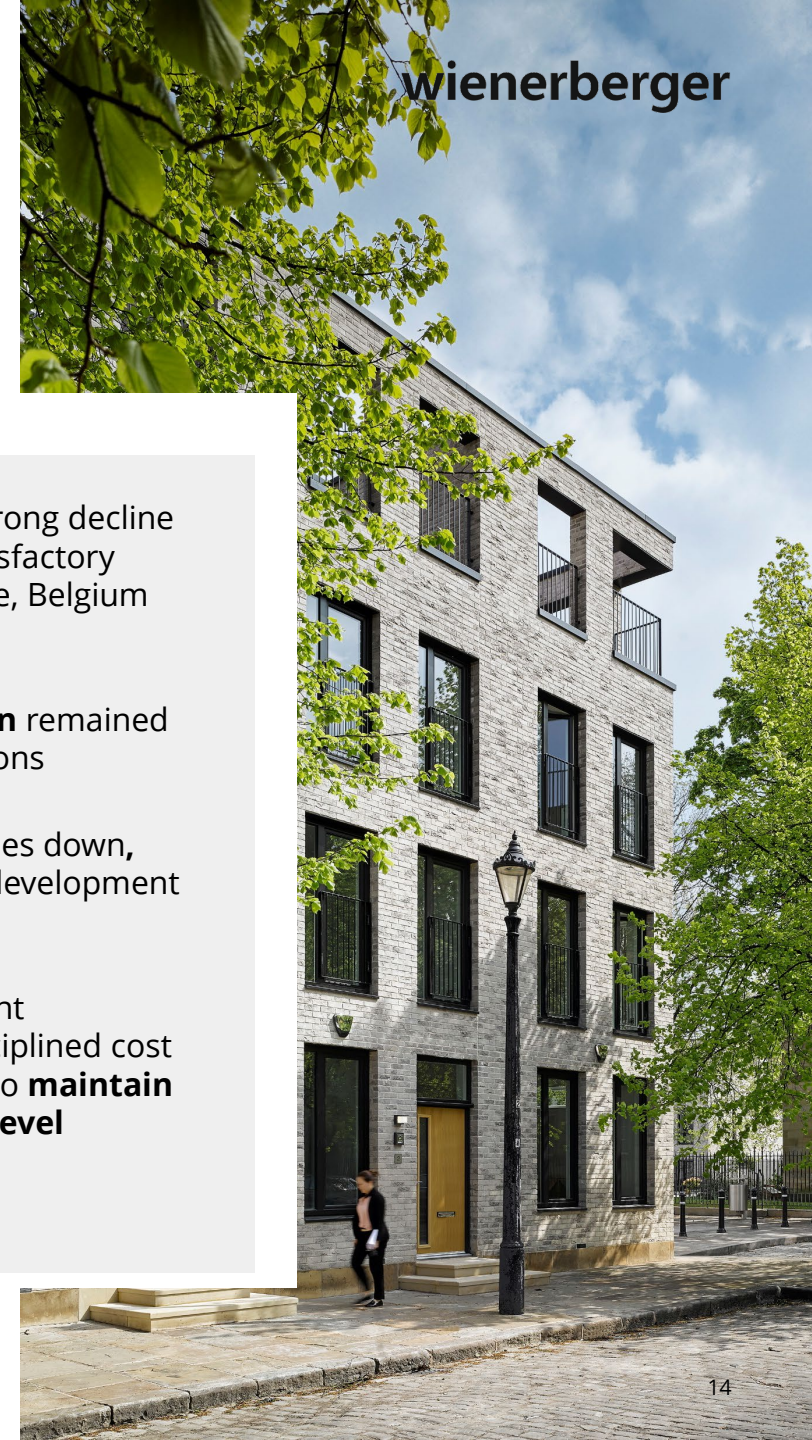
EUROPE WEST

- › System solutions for the entire building envelope (wall, roof, façade) and for wastewater and rainwater disposal, sanitation, heating and cooling installations and energy, gas and drinking water supply
- › 12 countries

in € mn	Q1 2023	Q1 2022	Chg. in %
External revenue	556.0	600.2	-7
Operating EBITDA	102.3	98.2	+4
Operating EBITDA Margin	18.4%	16.4%	-
EBITDA	98.3	100.0	-2

Note: Rounding differences may arise from automatic processing of data

- › **New build** showed strong decline in UK & Germany; satisfactory development in France, Belgium and the Netherlands
- › Demand in **renovation** remained strong across the regions
- › **Infrastructure** activities down, whereas satisfactory development of **inhouse** business
- › Efficiency enhancement contributions and disciplined cost management helped to **maintain profitability at high level**



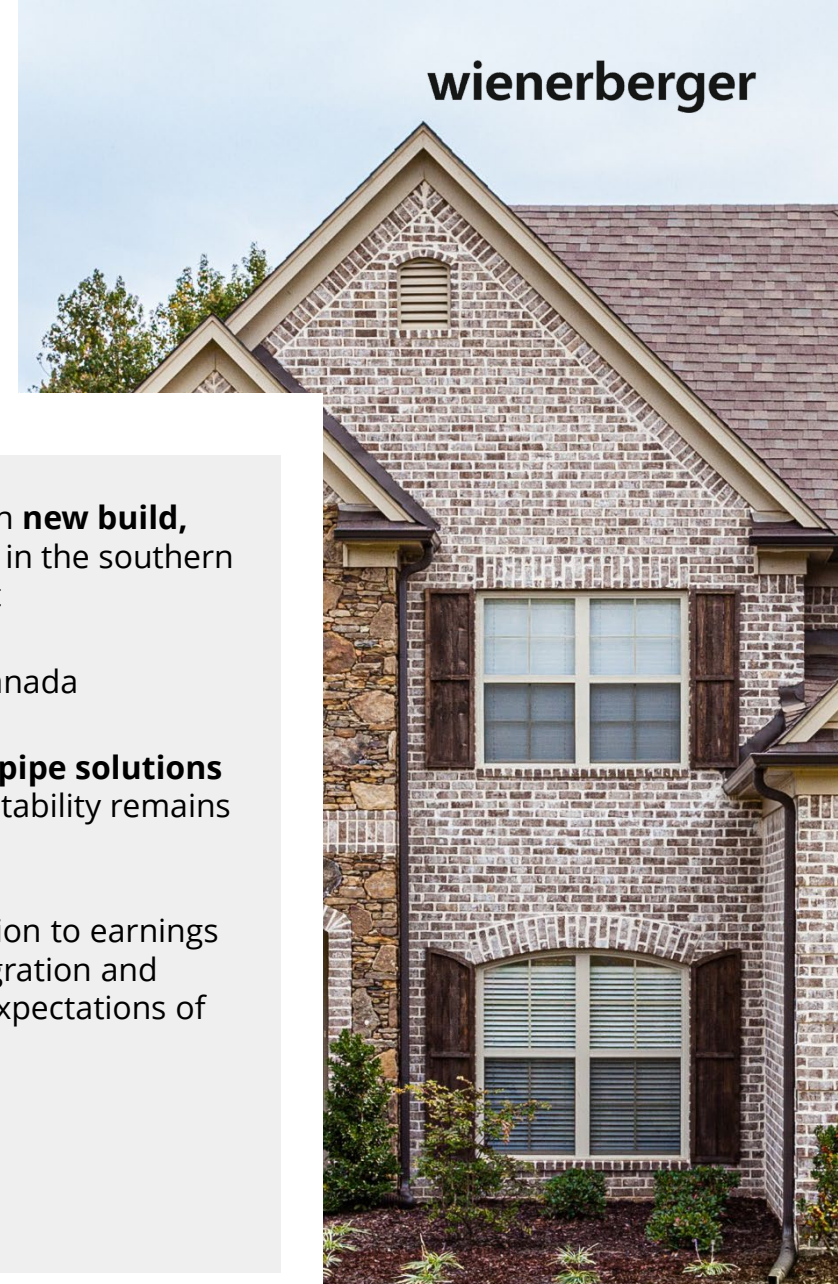
EXCELLENT RESULTS DRIVEN BY PIPES BUSINESS AND SYNERGIES FROM MERIDIAN

NORTH AMERICA

- › Ceramic façade solutions as well as plastic pipe solutions for wastewater and rainwater disposal and drinking water supply
- › Canada and U.S.

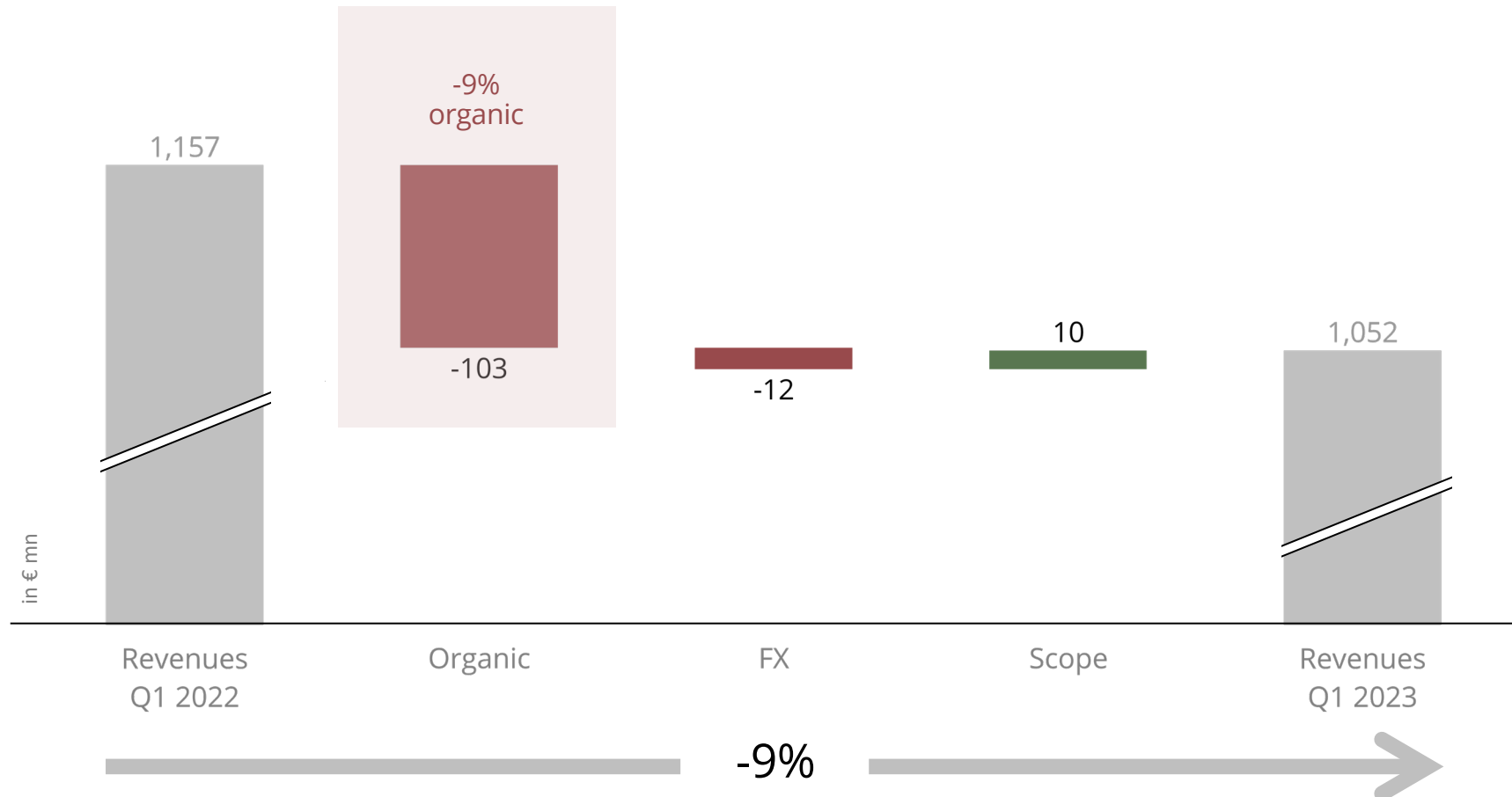
in € mn	Q1 2023	Q1 2022	Chg. in %
External revenue	195.2	207.5	-6
Operating EBITDA	47.4	42.5	+11
Operating EBITDA Margin	24.3%	20.5%	-
EBITDA	48.1	42.8	+12

- › **Declined volumes in new build**, with demand higher in the southern U.S. than in the west
- › Stable demand in Canada
- › Demand for **plastic pipe solutions** normalized but profitability remains at very high levels
- › Significant contribution to earnings thanks to rapid integration and exceeding synergy expectations of Meridian Brick



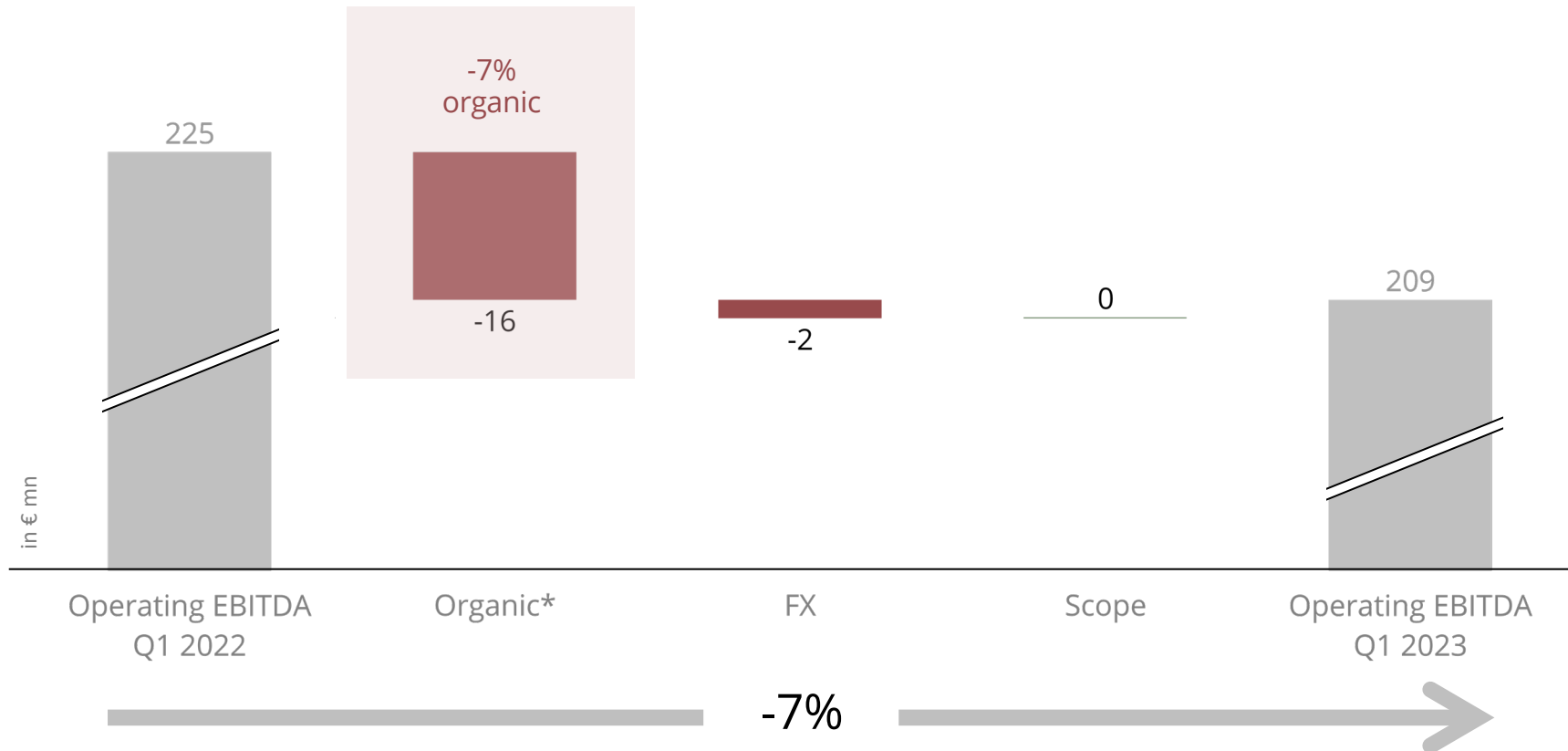
Note: Rounding differences may arise from automatic processing of data

STABLE REVENUES IN A STRONGLY DECLINING MARKET



Note: Rounding differences may arise from automatic processing of data

EXCELLENT START DRIVEN BY DISCIPLINED COST MANAGEMENT & FORWARD-LOOKING PROCUREMENT STRATEGY



Note: Rounding differences may arise from automatic processing of data
 * Including self help initiatives of € 11 mn



OUTLOOK 2023

END MARKET DEVELOPMENT – SCENARIO 2023 CONFIRMED

INSTABLE GLOBAL MARKET ENVIRONMENT

- › Ongoing military conflict in Ukraine
- › Volatile energy markets
- › Continuation of high cost inflation
- › Mortgage rates further up
- › Softening of consumer & business confidence



	EUROPE	NORTH AMERICA
NEW BUILD	↘ -15%	↘ -20%
RENOVATION	→ -3%	→ -3%
INFRASTRUCTURE	↘ -5%	↘ -5%
CONFIRMING SCENARIO 2023		

KEEPING COSTS WELL UNDER CONTROL THANKS TO FORWARD-LOOKING-PROCUREMENT STRATEGY: EXPECTED COST INFLATION OF <9% IN 2023

FORWARD-LOOKING PROCUREMENT STRATEGY FOR RAW MATERIALS & ENERGY

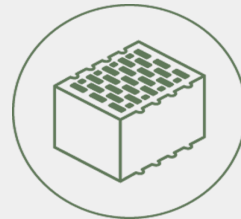
Plastics



Shortage of availability not expected in 2023, particularly for grades seeing import volumes from outside of Europe

Question still remains if European producers will cut production, especially in Q1, as demand across all sectors is expected to soften

Raw Materials Ceramics



Supply disruption still possible, but considerably reduced corresponding risk compared to 2022

Pressure from personnel cost inflation and continued shortage of transportation capacity will be the main cost drivers during the year

Energy



Market price will continue to see short term volatility whilst Europe further develops LNG infrastructure

Energy forward buying strategy is currently on hold. Individual fixings are done on case by case decision

Personnel



Lack of skilled labour and sharp increase of general cost inflation put pressure on wages

Attracting and retaining the right employees seen as the major challenge

CONTINUATION OF ENERGY FORWARD BUYING STRATEGY

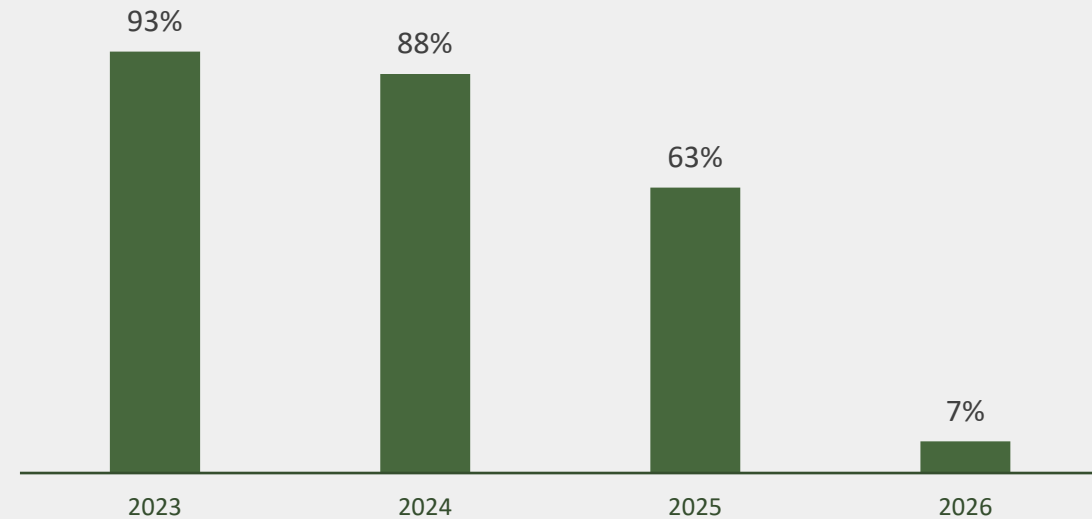
WIENERBERGER ENERGY STRATEGY

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 2023-2026

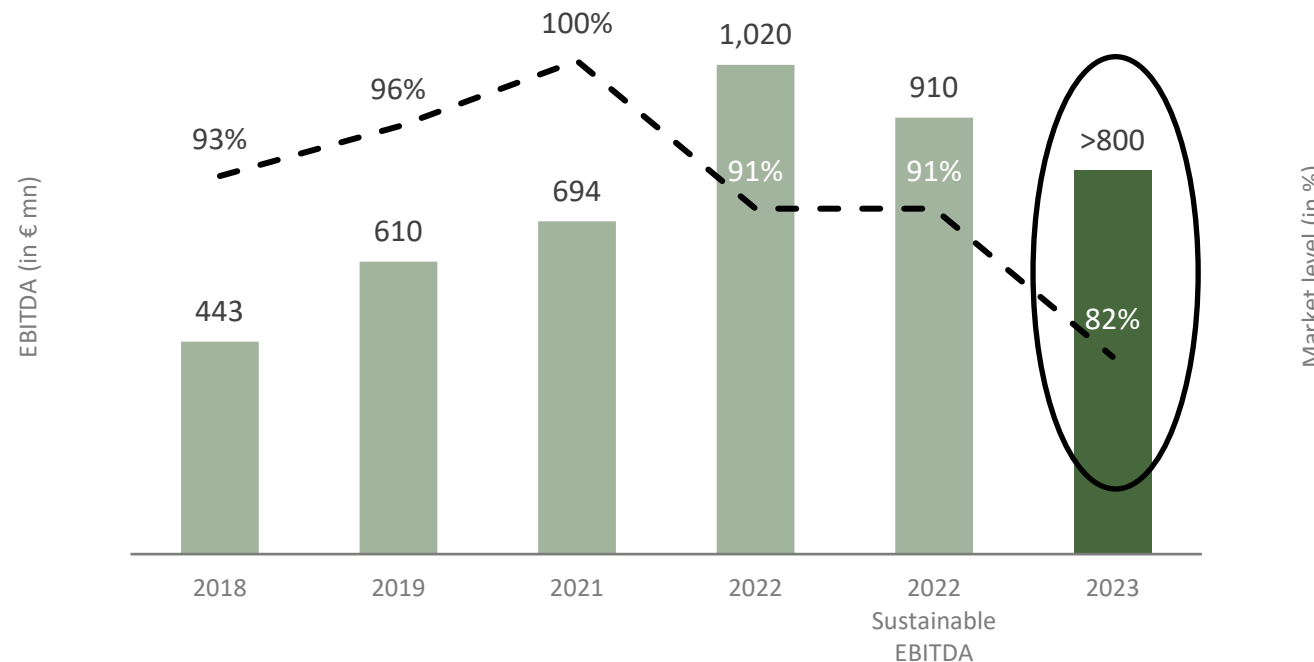
as of 31 March 2023



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

Note: 2023 figure for the remaining year only.

BASED ON SCENARIO OF SOFTENING MARKETS IN 2023, WIENERBERGER CONFIRMS OPERATING EBITDA OF € >800 MN



- › Strongest markets in 2021 reflecting highest market level defined at 100%
- › In 2022 we reached the best result in Wienerberger's history despite softening markets (91%)
- › 2023
 - › Further softening markets expected; however, due to ongoing instability, size of declines difficult to assess
 - › Nevertheless, thanks to the resilient business model and the outperformance of the markets, Wienerberger will generate operating EBITDA of € >800 mn in such scenario

Note: Market level calculated according to the weighted Wienerberger end market exposure incl. newbuild, renovation & infrastructure

WIENERBERGER CONTINUES ITS SUSTAINABLE GROWTH PATH IN 2023

MARKET OUTPERFORMANCE

Through our consistent focus on innovation & systems solutions, we will continue to outperform our markets



GROSS MARGIN

Existing cost management measures will protect gross margin despite softening end markets



M&A

Significant contributions from acquisition of Terreal Group
€ 740 mn Revenues
€ 100 mn EBITDA pre-synergies



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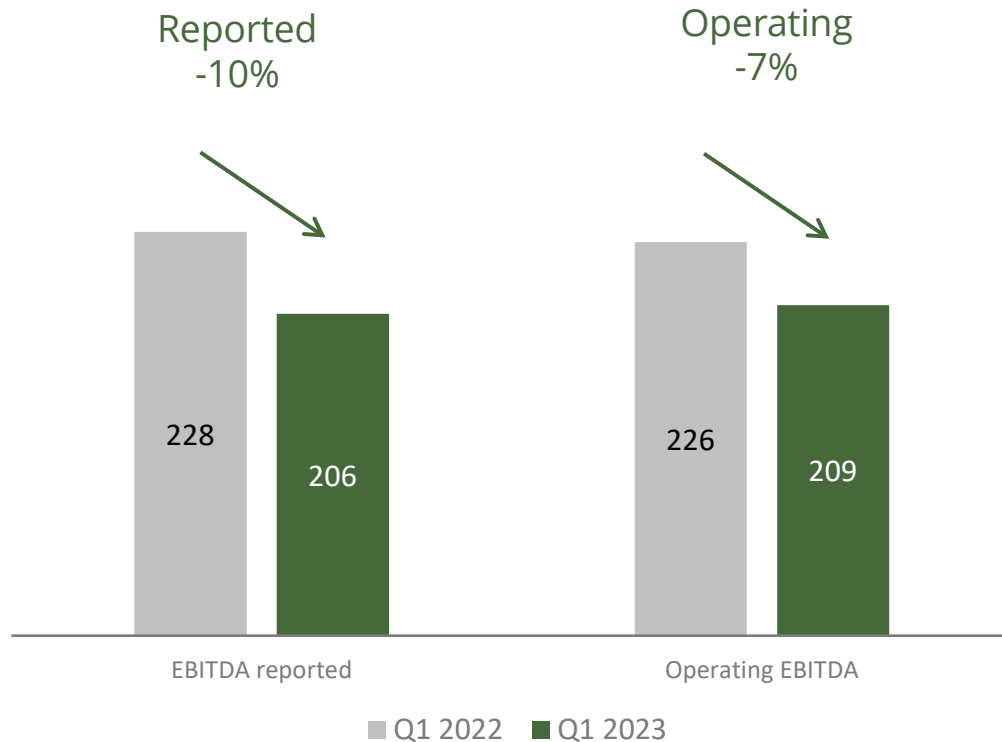


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APPENDIX

OPERATING EBITDA ONLY 7% DOWN ON EXCEPTIONALLY STRONG PRIOR YEAR

EBITDA DEVELOPMENT



Note: Rounding differences may arise from automatic processing of data

EBITDA adjustments in € mn	Q1 2023	Q1 2022
EBITDA reported	206.3	228.3
Sale of assets ¹⁾	-1.9	-3.0
Structural adjustments ²⁾	4.2	0.2
Operating EBITDA	208.6	225.5

EBITDA reported in Q1 2023 includes

- > € 0.5 mn from scope changes
- > € -1.5 mn from FX

1) Sale of core and non-core assets

2) Costs related to repositioning and restructuring of selected businesses

STRONG REVENUES & EBITDA IN STRONGLY DECLINING MARKETS

in € mn	Q1 2023	Q1 2022	Chg. in %
Revenues	1,052.5	1,156.6	-9
Operating EBITDA	208.6	225.5	-7
EBITDA	206.3	228.3	-10
Impairment charges to assets	-	-13.2	>100
EBIT	138.2	147.1	-6
Financial result	-12.7	-11.7	-8
Profit before tax	125.5	135.3	-7
Income taxes	-24.8	-22.6	-10
Profit/loss after tax	100.7	112.7	-11
thereof hybrid coupon and non-controlling interests	0.1	0.1	>100
Net result	100.6	112.7	-11

Note: Rounding differences may arise from automatic processing of data

SOLID CASH FLOW IN CHALLENGING MARKET ENVIRONMENT

in € mn	Q1 2023	Q1 2022	Chg. in %
Gross cash flow	173.3	209.1	-17
Change in working capital	-316.9	-255.5	-24
Maintenance Capex	-22.7	-21.4	-6
Divestments and other	1.9	-21.2	>100
Lease payments	-14.4	-15.0	+4
Free cash flow	-178.9	-104.1	-72
Special Capex	-15.4	-18.4	+16
M&A	-29.9	-1.2	<-100
Purchase of treasury shares	0.0	-29.0	>100
Net cash flow	-224.2	-152.7	-47

Note: Rounding differences may arise from automatic processing of data

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FINANCIAL CALENDAR

August 10, 2023

Results for the First Half-Year of 2023

November 9, 2023

Results for the First Three Quarters of 2023

