



EUROPEAN PLASTIC PIPE OPERATIONS

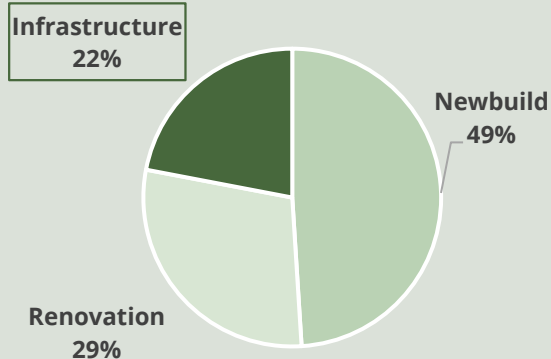
STRATEGIC INSIGHTS AND OUTLOOK

Investor Day
17 October 2024

PIPE IS A SIGNIFICANT VALUE CONTRIBUTOR TO OUR GROUP, PROVIDING US WITH...

Improved diversification

less cyclical, more resilient



Exposure to structurally growing end markets

Energy transition

Resource-efficient buildings

Climate-resilient infrastructure



Growth and consolidation opportunities

Scale & Scope



MAINCOR

W wienerberger

PIPELIFE

W wienerberger



FloPlast

W wienerberger

**A LEADING SUPPLIER OF
SUSTAINABLE PIPING SOLUTIONS...**

world of **wienerberger**

...PROVIDING UNDERGROUND INFRASTRUCTURE – THE LIFELINES OF OUR COMMUNITIES...



Conveying
potable water,
wastewater, stormwater,
hydrogen & gas, or cables,
they keep our modern world
turning and keep life
safe, clean and
comfortable.

...AND PIPING SYSTEMS AND SOLUTIONS FOR SAFER AND MORE COMFORTABLE BUILDINGS.



Delivering
heating & cooling,
managing wastewater, and
powering electricity to ensure
your indoor spaces remain safe,
efficient, and comfortable,
keeping modern living
seamless and
reliable.

FOOTPRINT - EUROPEAN PLASTIC PIPE OPERATIONS

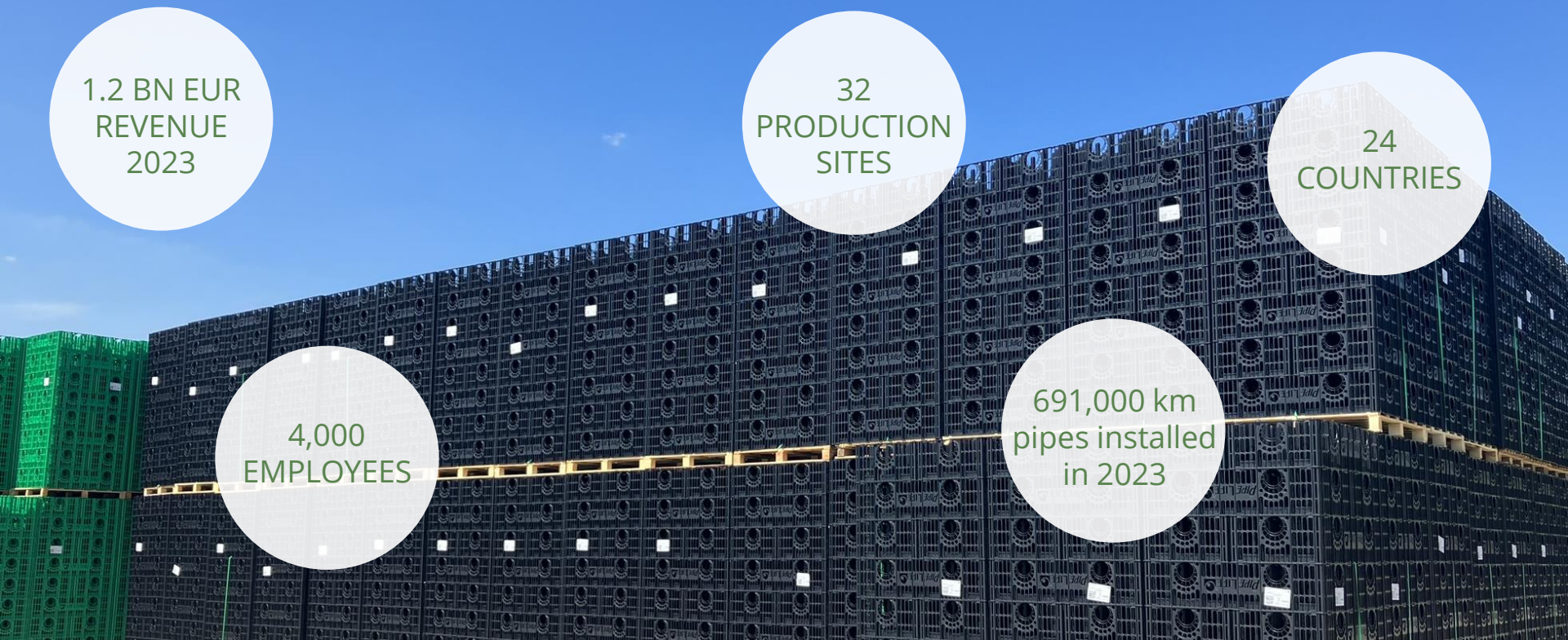
1.2 BN EUR
REVENUE
2023

32
PRODUCTION
SITES

24
COUNTRIES

4,000
EMPLOYEES

691,000 km
pipes installed
in 2023

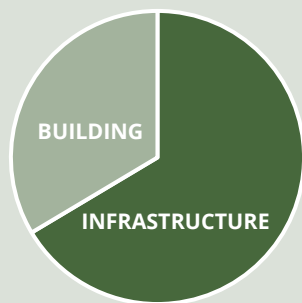


LEADING POSITIONS ACROSS WESTERN AND EASTERN EUROPE

Geographical split



Segment exposure

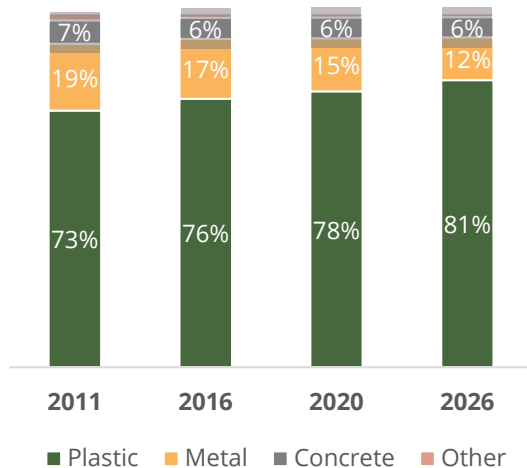


FAVORABLE END MARKET DRIVERS

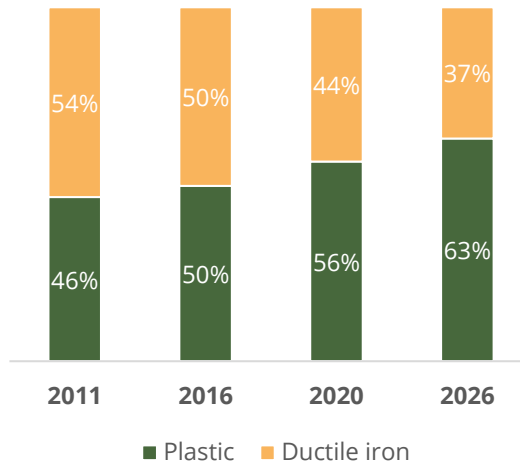


MARKET FAVORS PLASTIC AS THE WINNING MATERIAL ACROSS APPLICATIONS

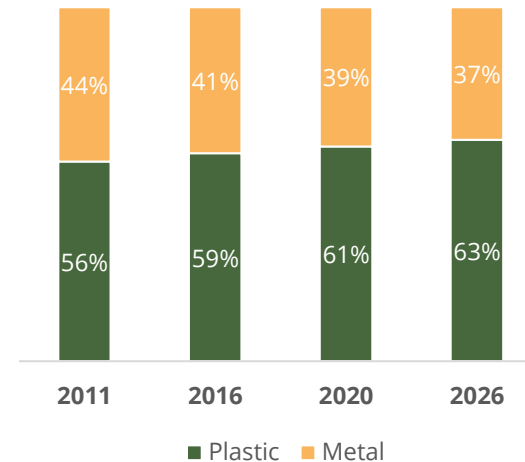
Gravity pipes



Pressure pipes > 300mm



Hot & Cold



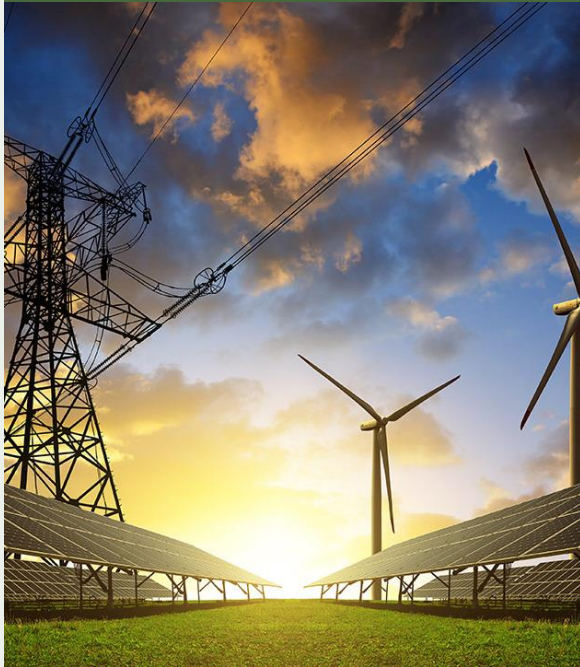
Source: AMI 2022; pressure pipes <300mm already today 96% plastic



FAVORABLE SUBSTITUTION TREND EXPECTED TO CONTINUE WITH THE MARKET FAVORING PLASTIC SOLUTIONS OVER COMPETING MATERIALS LIKE METALS AND CONCRETE

FOCUS ON SOLUTIONS ADDRESSING SEGMENTS WITH STRUCTURALLY GROWING END MARKETS

ENERGY TRANSITION



RESOURCE-EFFICIENT BUILDINGS



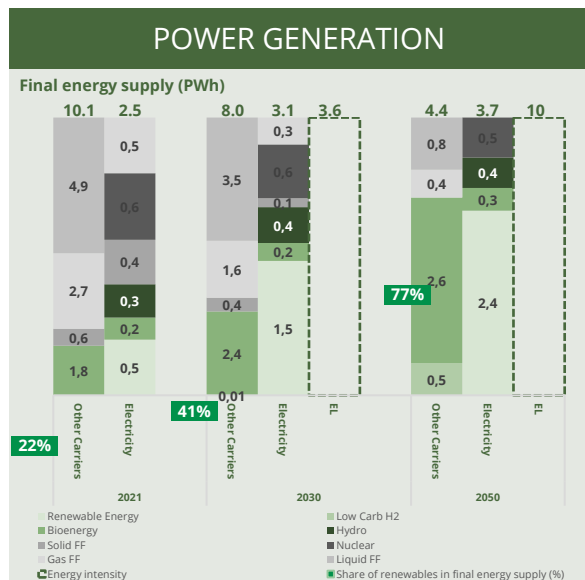
CLIMATE RESILIENT INFRASTRUCTURE



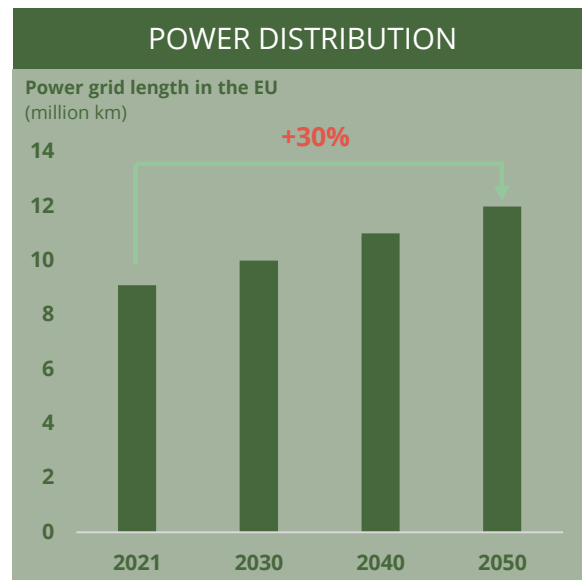
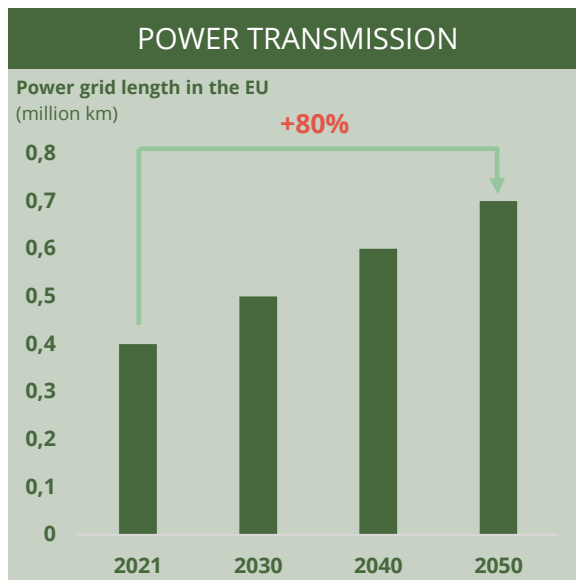
A composite image illustrating the energy transition. The top half shows a modern residential street with two utility workers in high-visibility gear working on a grey electrical cabinet. One worker is kneeling while the other stands and looks at a tablet. In the background, two children are riding bicycles on a paved path. The bottom half of the image is a cross-section of the ground, showing a layer of gravel, a concrete slab, and several black pipes laid out in a trench. The text "ENERGY TRANSITION" is overlaid in the center in a bold, green, sans-serif font.

ENERGY TRANSITION

THE ENERGY TRANSITION REQUIRES UNPRECEDENTED CHANGE OF ENERGY INFRASTRUCTURE



Source: BCG & ERT 2024



SIGNIFICANT INVESTMENTS INTO RENEWABLES AND GRID EXTENSION WILL PROVIDE A POSITIVE MARKET ENVIRONMENT FOR OUR CBALE PROTECTION SOLUTIONS

EXAMPLE – WIND POWER

Safeguarding Swedish wind power with a sustainable cable protection solution

- › 102 km of **recycled PE cable protection** from Pipelife Sweden for a reliable power supply for the Skallberget-Utterberget wind farm
- › 12 turbines with 6.6 MW of power each
- › Project supplied by RWE to Eolus



EXAMPLE – SOLAR POWER

Finland's first solar park to be connected to the district heating network

- › The solar park will have 13,000 double-sided 700W solar panels with a total capacity of 9.5 megawatt and will be connected to the local district heating network
- › Cable protection pipes, cable wells and UV-protected electrical installation pipes supplied from Pipelife Finland



EXAMPLE – HYDROGEN ECONOMY

A global first, hydrogen application of Flexible Composite Pipe

- › Together with Groningen Seaports, SoluForce has developed a Flexible Composite Pipe system for hydrogen applications
- › The **SoluForce Hydrogen Tight** solution will be used at Groningen Seaports to **distribute green hydrogen produced by wind mills** in the North sea to users in the chemical and industrial sectors
- › Significant cost reduction vs. steel
- › Fully flexible and easy to install



BUILDING ELECTRIFICATION

- › Value of low voltage installation in a building has doubled over the last 15-20 years and is expected to further increase at a higher pace
- › Replace heating from fossil sources (e.g. gas) to electricity (e.g. heat pumps)
- › Cooking from gas to electro
- › PV installations
- › EV charger
- › Comfort and control
- › Pipe is ca. 25-50% of value of low voltage installation





RESOURCE-EFFICIENT BUILDINGS

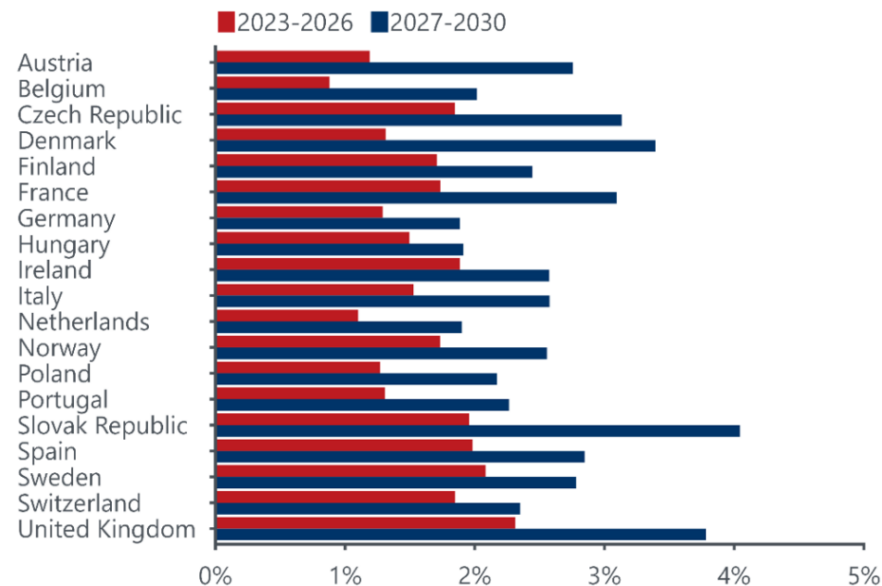
DECARBONISATION EFFORTS PROVIDE TAILWIND FOR BUILDING RENOVATION...

- › EU building stock responsible for **>40% of final energy consumption** and **36% of greenhouse gas emissions**
- › **70%** of European houses are **energy inefficient** and in need of renovation
- › **27%** on energy level **E/F**
- › Renovation of building stock is expected to pick up significantly in the coming years
- › With some countries already making renovation a legal requirement (e.g. Belgium)



BENEFITTING OUR PORTFOLIO OF INHOUSE AND ELECTRO SOLUTIONS

Average annual growth in building renovations

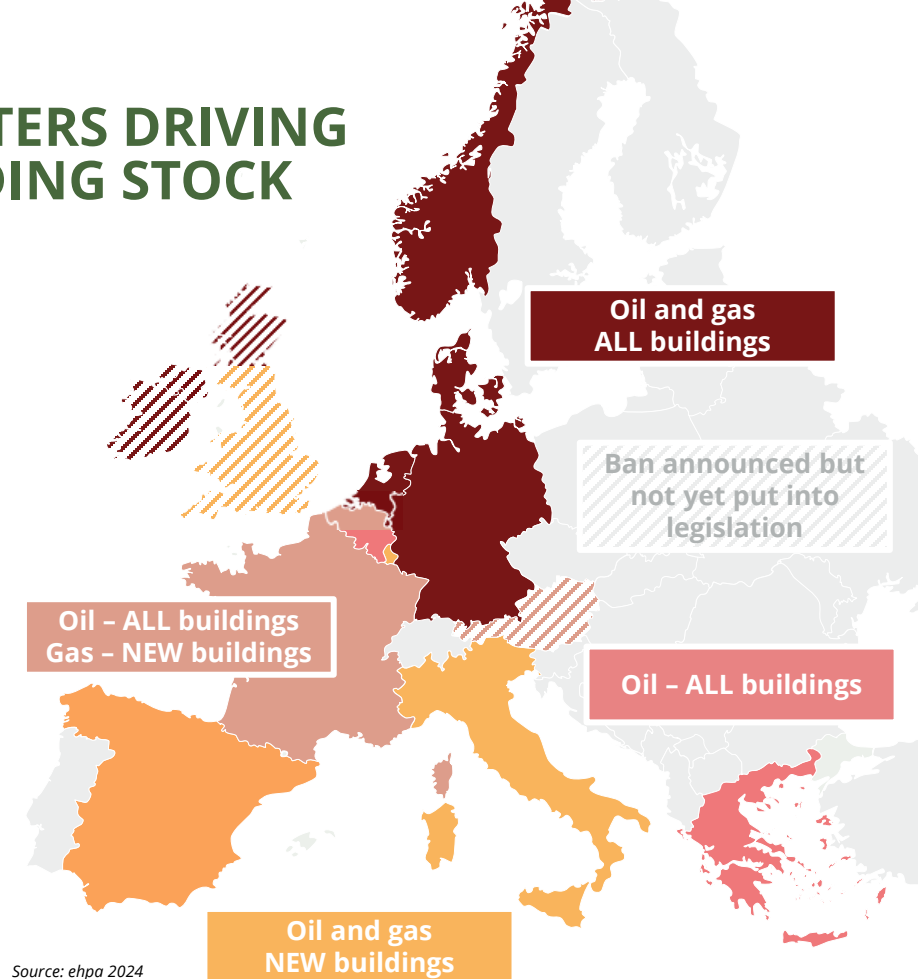


Source: Oxford Economics


...WITH A BAN ON FOSSIL FUEL HEATERS DRIVING ENERGY CONVERSION IN THE BUILDING STOCK

- › Several European countries have decided on a ban and phase out of fossil fuel heaters in buildings
- › Goal is the conversion of building's energy sources from fossil fuels towards electricity (heat pumps) or connection to district heating networks

➤ BENEFITTING OUR PORTFOLIO OF LOW TEMPERATURE HEATING SOLUTIONS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS

A modern building with a white and wood-clad exterior is shown. The building features a large overhang with a white ceiling and a wooden wall. A circular callout on the left shows a blue hydronic coil. Another callout on the right shows a blue siphonic roof drainage system. A third callout on the right shows a solar panel array. A fourth callout on the left shows a blue low-temperature surface heating system. A fifth callout on the right shows a rainwater collection system. A sixth callout on the right shows a silent water discharge system. The building is surrounded by greenery and a blue sky.

Hydronic
ceiling
cooling

Siphonic
roof
drainage

Energy
activation
of the roof –
solar

Low
temperature
surface
heating

Silent
water
discharge

Rainwater
collection
and reuse

...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



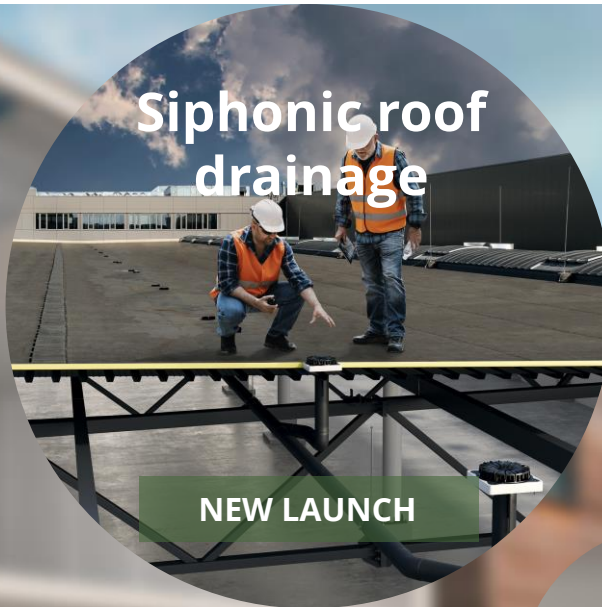
...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS



...DRIVING SOLUTIONS THAT INCREASE RESOURCE-EFFICIENCY IN BUILDINGS





CLIMATE RESILIENT INFRASTRUCTURE

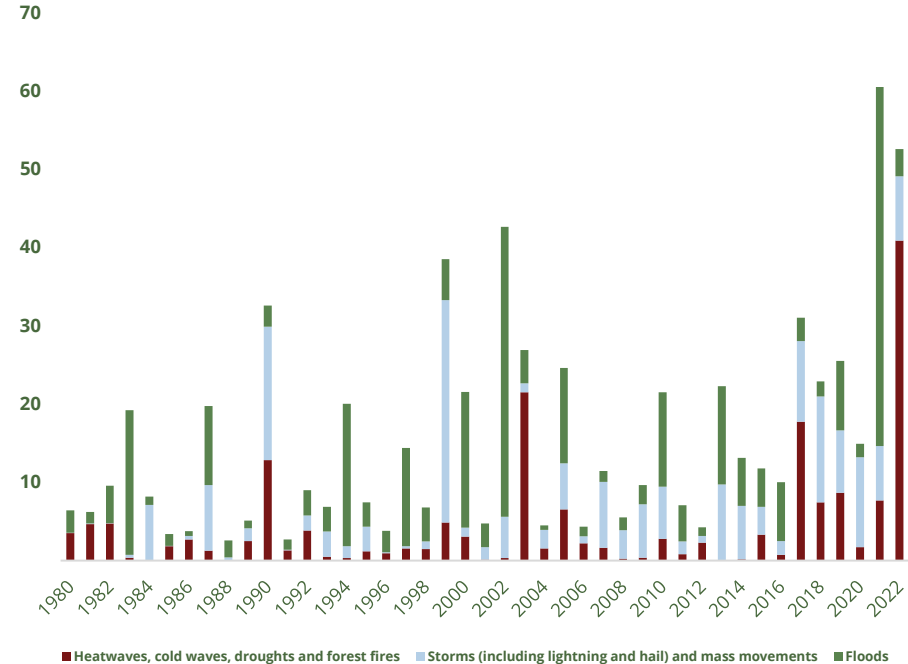


INCREASING ECONOMIC LOSSES FROM WEATHER- AND CLIMATE-RELATED EXTREMES IN EUROPE

- › Climate-related hazards, such as temperature extremes, **heavy precipitation and droughts**, pose **risks to human health and the environment** and can lead to substantial economic losses
- › Severe weather- and climate-related extreme events are expected to **intensify further**
- › The 2021 EU Adaptation Strategy **aims to build resilience** and ensure that the EU is **well prepared to manage these risks** and adapts to the impacts of climate change

INCREASING MARKET DEMAND FOR STORMWATER MANAGEMENT SYSTEMS

EUR bn (2022 prices)



Source: European Environment Agency

EXAMPLE: STORMWATER MANAGEMENT FOR COMMERCIAL PROJECTS

Automated stormwater solution for STEICO production site, Poland

- › Reuse of water collected from rooftops for production purposes
- › Rainwater collected from parking lots is cleaned and sent to local infiltration reservoirs
- › Fully automated monitoring with Pipelife SmartHub



EXAMPLE: STORMWATER MANAGEMENT FOR PUBLIC INFRASTRUCTURE

Renovation and extension of the water, sewage and rainwater networks of the city of Jyväskylä, Finland

- › Pipe systems
- › Large bespoke 2.2m rainwater chambers, prefabricated in Pipelife factory and shipped directly on site



FOCUS AREAS

- › Actively **drive end-market exposure** of our portfolio to **increase addressable market** and **enhance growth and margins**
 - › Portfolio extension **from standard** systems to **differentiation**
 - › Development from **product to system and solution**, e.g. inclusion of smart technologies
- › **Focus** development on **end market** segments with **structural growth** drivers
 - › Energy transition
 - › Resource-efficient buildings
 - › Climate resilient infrastructure



DEVELOPMENT & STRATEGIC AMBITION

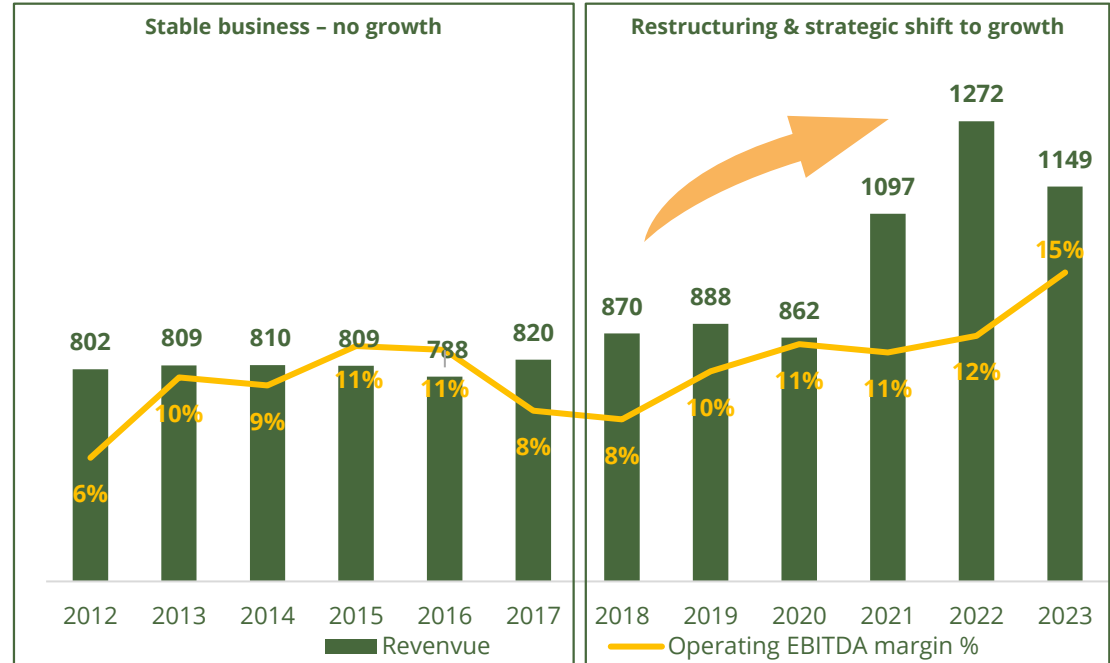


wienerberger

WE HAVE TURNED PIPE INTO A SUCCESS STORY FOR WIENERBERGER - FROM UNDERPERFORMANCE TO GROWTH AND PROFITABILITY

- › Transformation of the business towards **growth**
- › Improvement of **top-line development**
- › Significant **margin uplift**

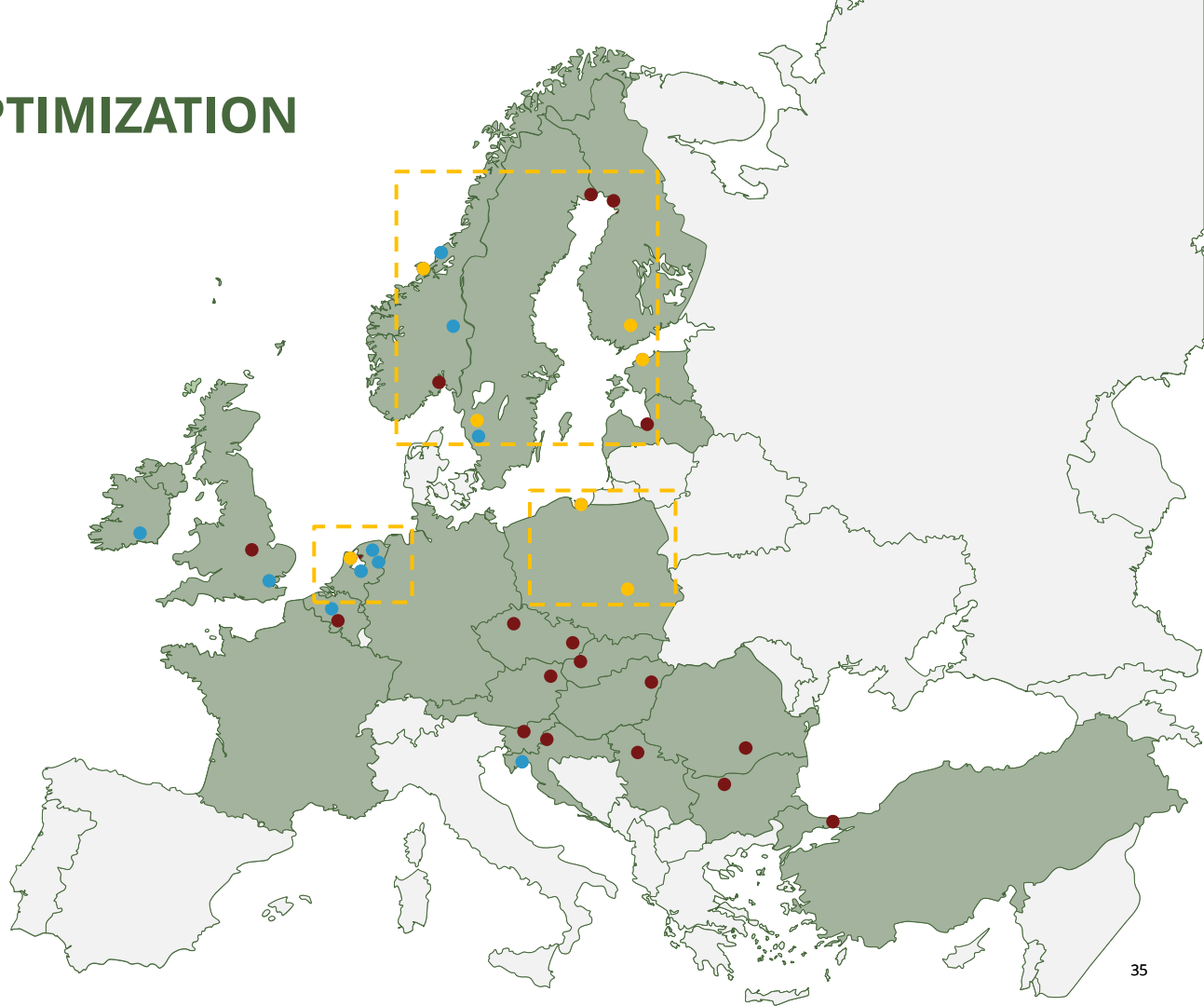
› FOCUS ON VALUE-ENHANCING SYSTEMS AND GROWING END MARKETS...



European plastic pipe activities, excl. Steinzeug, excl. Jetstream USA

...AND PORTFOLIO OPTIMIZATION

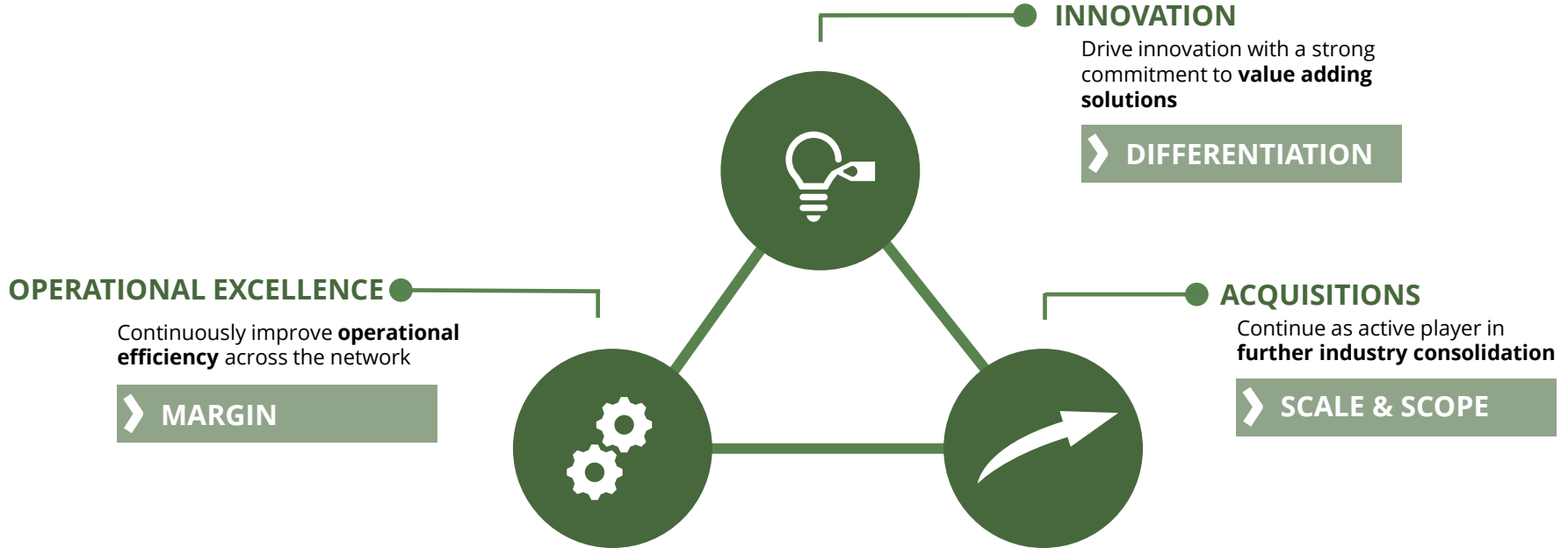
- › **Optimised the portfolio**
by exiting Russia, Greece,
France and partially
Germany
- › **Acquired 8 margin
accretive businesses**
- › Invested significantly into
the **industrial setup** to
drive efficiency



RECENT INVESTMENTS INTO INDUSTRIAL SETUP



CLEAR PRIORITIES FOR THE FURTHER DEVELOPMENT OF THE BUSINESS

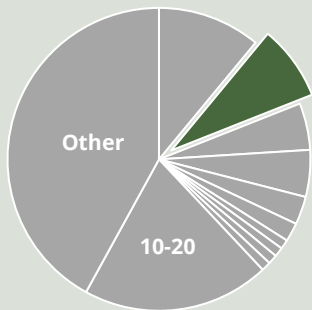


CONTINUE AS ACTIVE PLAYER IN FURTHER INDUSTRY CONSOLIDATION...

With opportunities in moderately consolidated pipe markets

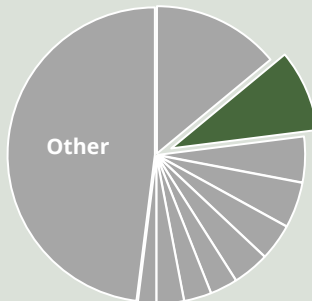
GRAVITY PIPES

1,200,000km



PRESSURE PIPES

431,000km



And further growth possibilities in areas of strategic relevance

Smart solutions
| Digital Water

Accessories

Adjacent
systems

...WITH STRONG TRACK RECORD IN ALL SEGMENTS

SCALE deals

Consolidate to be stronger together

Scale deals improve cost position, drive near-term earnings growth and generate cash flows

Target to be **#1 or #2** in the respective market

Payback mainly via synergies

CONSOLIDATION



FloPlast



SCOPE deals

Buy the growth

Scope deals that improve the top-line profile by entering or expanding into growing segments of the market, or by acquiring faster-growing businesses and accelerating their growth

BUY GROWING MARKET SEGMENT

GrainPlastics

MAINCOR

preflex

Buy the capability

Scope deals that bring new capabilities for product or service innovation (e.g. digital opportunities) to strengthen a competitive advantage or to redefine the combined business through cross-sector deals

ADDING NEW CAPABILITIES



wideco

I-REAL

QPS
A BRAND OF PIPELIFE

TEKKEN

Slatek

INNOVATION EXAMPLE: SMART SOLUTIONS



STRONGLY GROWING NEED FOR SOLUTIONS THAT ENABLE SMART INFRASTRUCTURE AND SMART CITIES



Ageing infrastructure



Climate change



Demographic shifts



Financial pressure



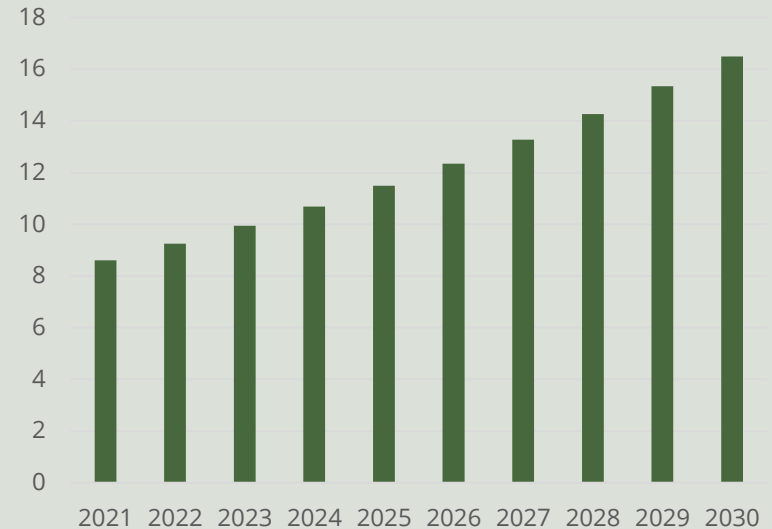
Regulatory drivers



Technology enablers



Digital water market Europe



WHAT IS SMART?

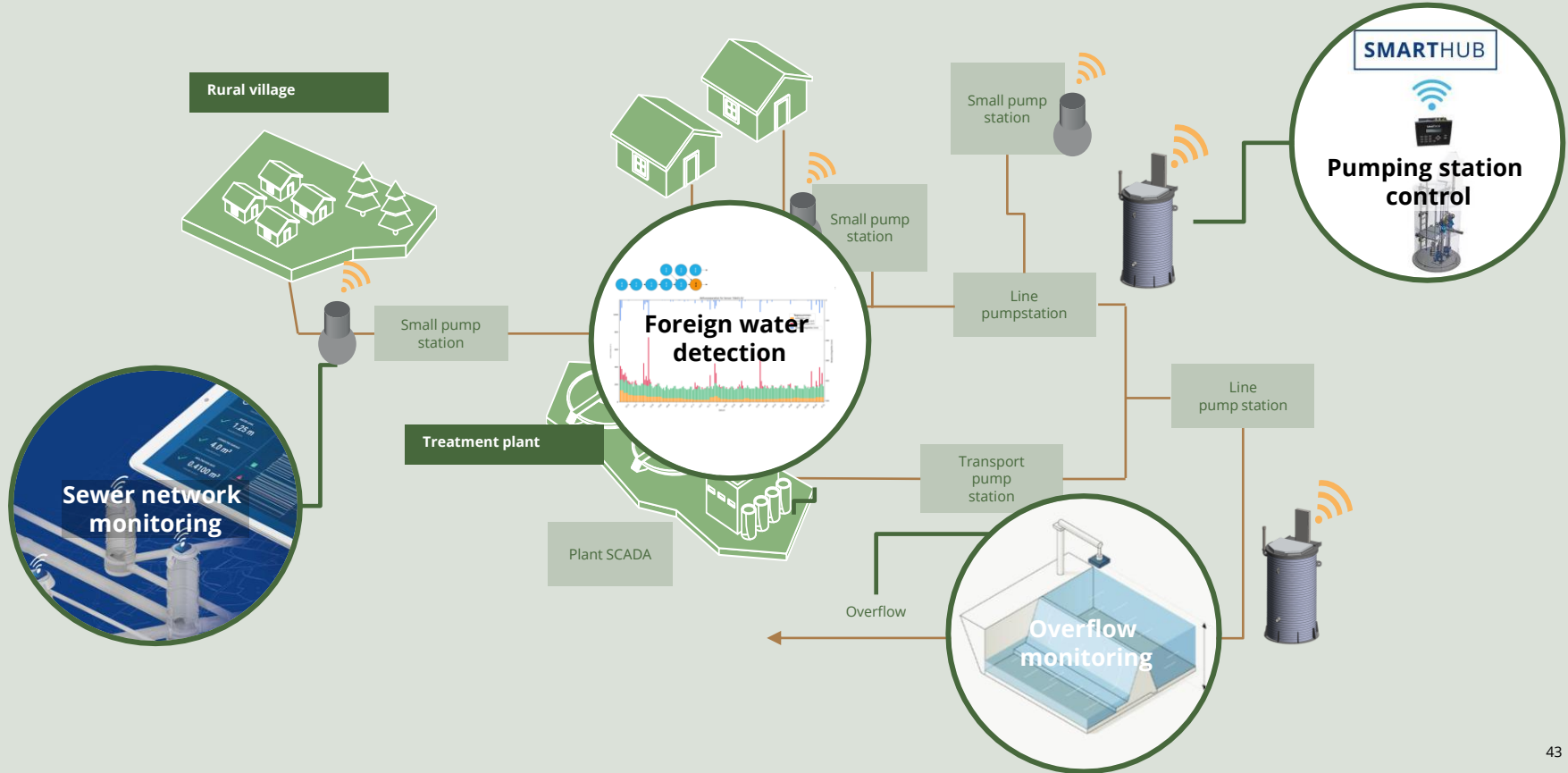


COLLECTING THE DATA

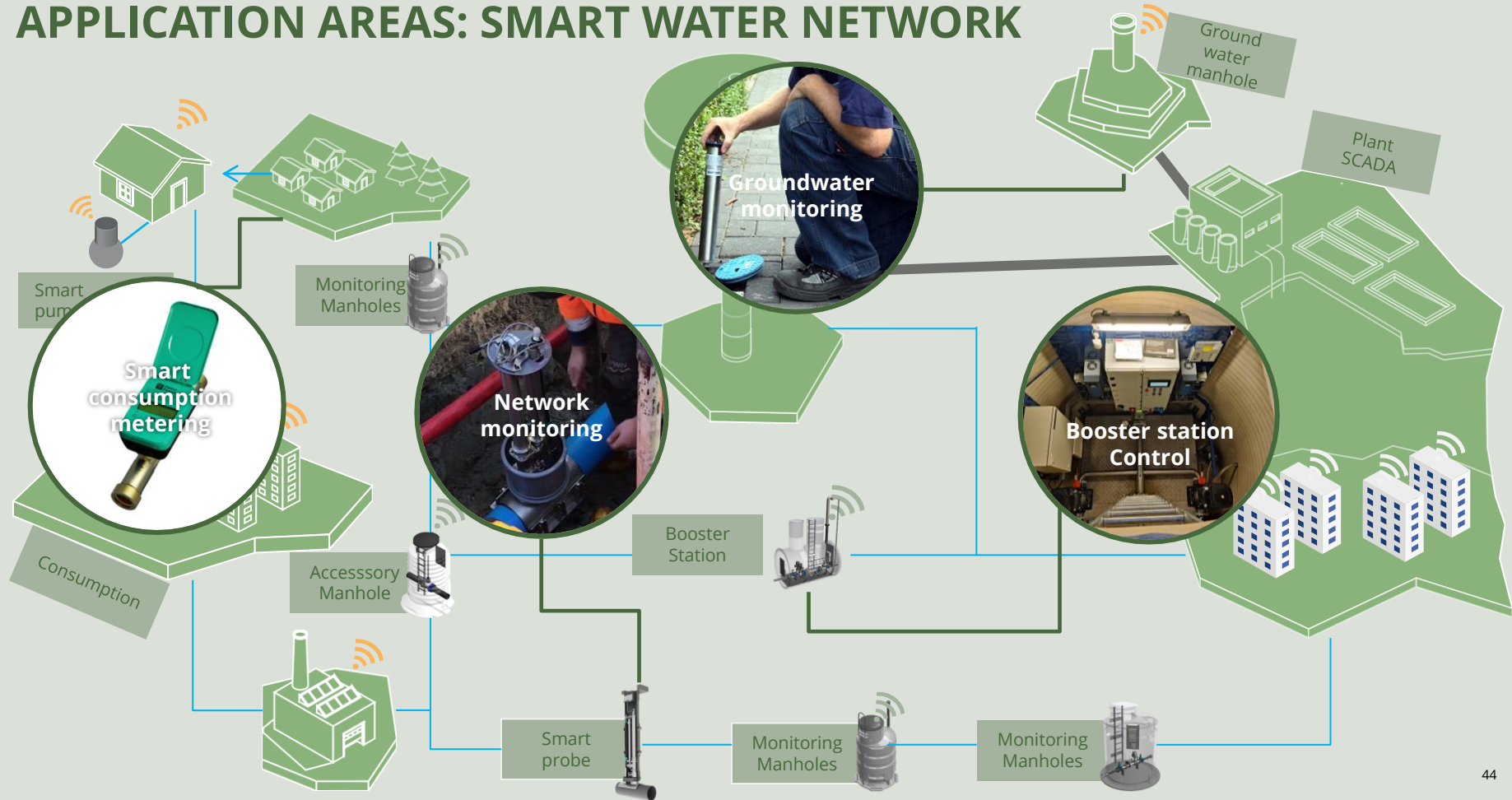
CLOUD MONITOR AND CONTROL

DATA DRIVEN DECISIONS

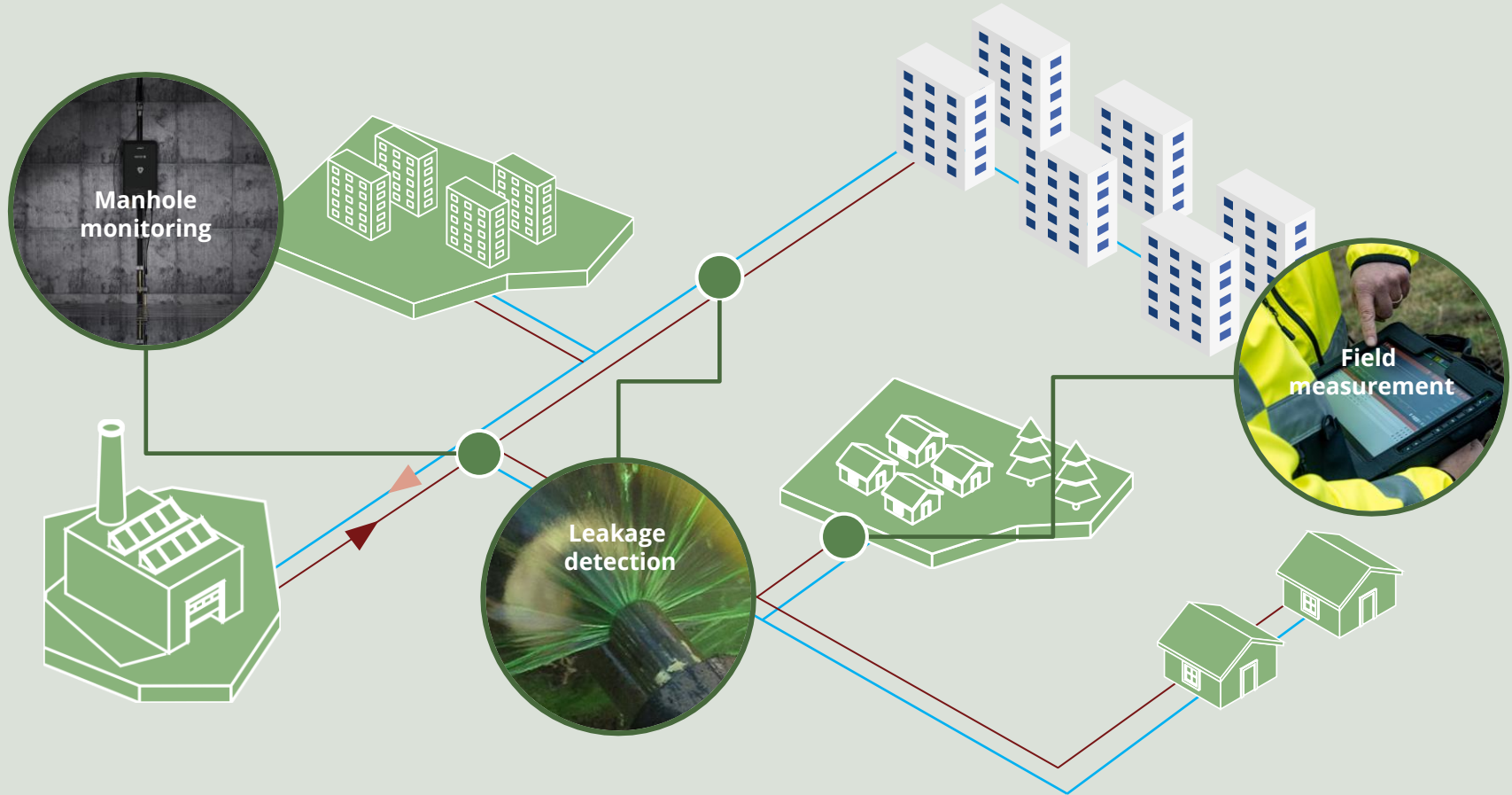
APPLICATION AREAS: SMART SEWAGE NETWORK



APPLICATION AREAS: SMART WATER NETWORK



APPLICATION AREAS: SMART DISTRICT ENERGY NETWORK



SELECTED CUSTOMERS

INDUSTRIAL

ENERGY

VATTENFALL 

e.on

ENGIE


fortum

LOGSTOR


 Statkraft

MUNICIPAL

 Tekniska
verken

 kraftringen

 Mälarenergi

 Göteborg Energi

 Jämtkraft

WATER

Eijkelkamp


REMONDIS®

 AGNICO EAGLE

 Statens vegvesen

aertssen

 EINDHOVEN

 Apeldoorn

MÖNCHENGLADBACH 

 Den Haag

 PUDASJÄRVI
ALINGSÅS
KOMMUN

Gemeente Almere 

SMART BUSINESS TODAY

15-20%
growth p.a.
expected

85,000 assets
connected & monitored

15m EUR
revenue



1,100+
customers
in BeNeLux,
Germany, France, UK
and Nordics

30% SAAS
revenue



Main application areas
**sewage, surface & ground water,
drinking water, district energy**

Development centers
in Apeldoorn, NL and
Borås, SE

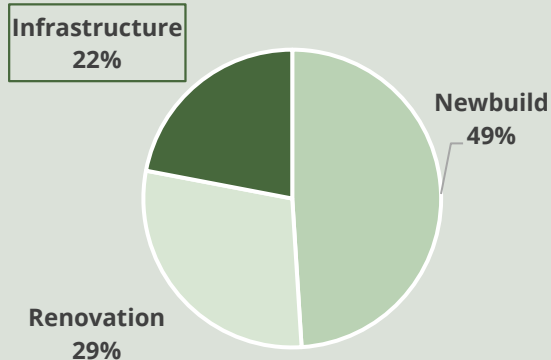
CONCLUSIONS



PIPE IS A SIGNIFICANT VALUE CONTRIBUTOR TO OUR GROUP, PROVIDING US WITH...

Improved diversification

less cyclical, more resilient



Exposure to structurally growing end markets

Energy transition

Resource-efficient buildings

Climate-resilient infrastructure



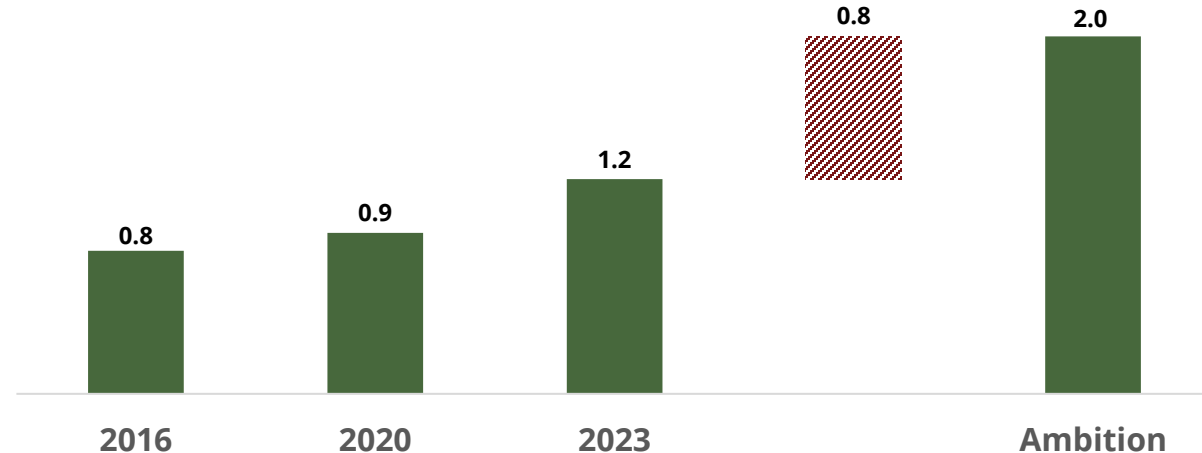
Growth and consolidation opportunities

Scale & Scope



...WITH CLEAR GROWTH AMBITION AFTER HAVING ACHIEVED SIGNIFICANT VALUE UPLIFT ACROSS THE PORTFOLIO

- › Organic development & M&A
- › Strengthen position in existing markets with focus on exposure to growing segments
 - › Energy transition
 - › Resource efficient buildings
 - › Climate resilient infrastructure
- › Entry in new markets with possibility to become #1 or #2 over time



Revenue, EURbn