



GOVERNANCE ROADSHOW

Wienerberger AG | December 2018

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WIENERBERGER IS ...

... A **LEADING INTERNATIONAL SUPPLIER** OF BUILDING
SOLUTIONS FOR THE **BUILDING ENVELOPE** AND
FOR **INFRASTRUCTURE.**

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Wienerberger Group

In a nutshell

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Highlights



195 production sites in 30 countries



16,623 employees



€ 2.2 bn MCap



100% free float

Leading market positions

Clay blocks
No. 1 worldwide



Plastic pipes
Leading position in Europe

Facing bricks
No. 1 in Europe
USA: Leading position



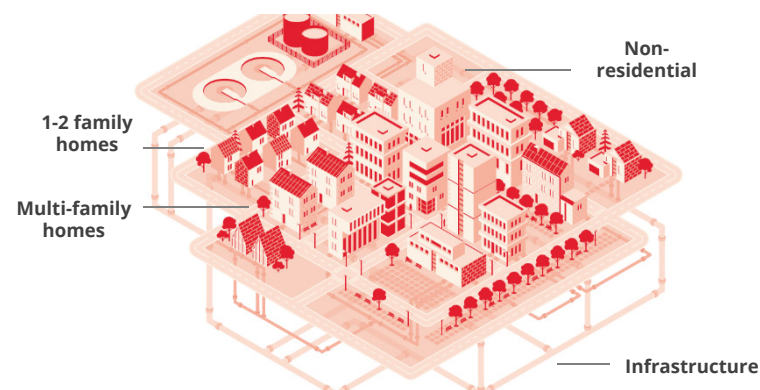
Ceramic pipes
No. 1 in Europe

Clay roof tiles
No. 1 in Europe

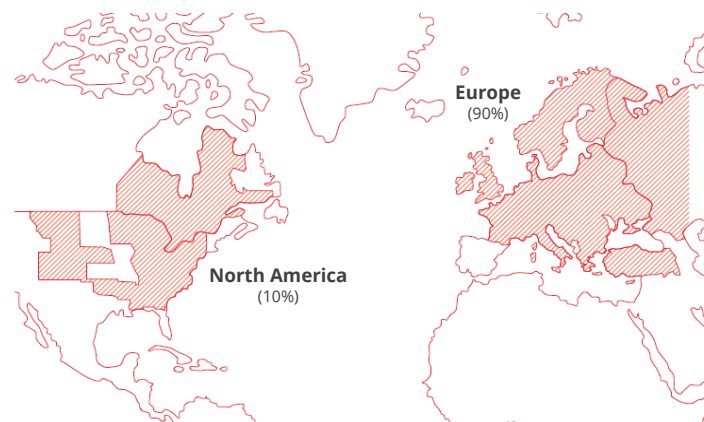


Concrete pavers
No. 1 in Central-East Europe

Leading solution provider for the building envelope and infrastructure



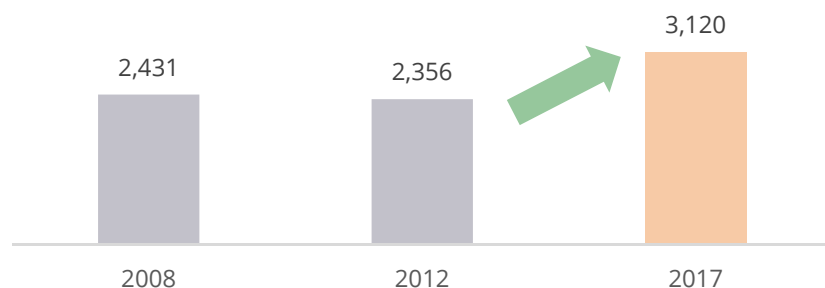
International presence



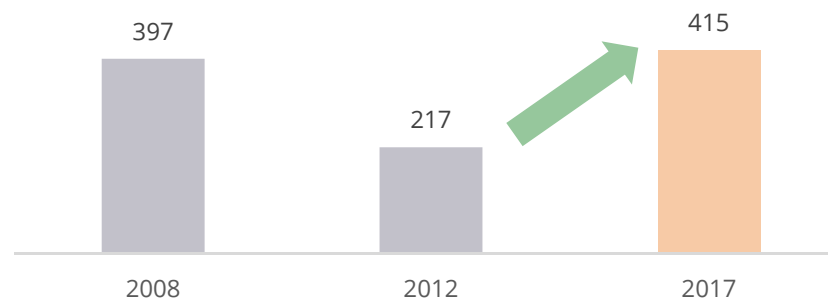
Strong track-record of value creating growth

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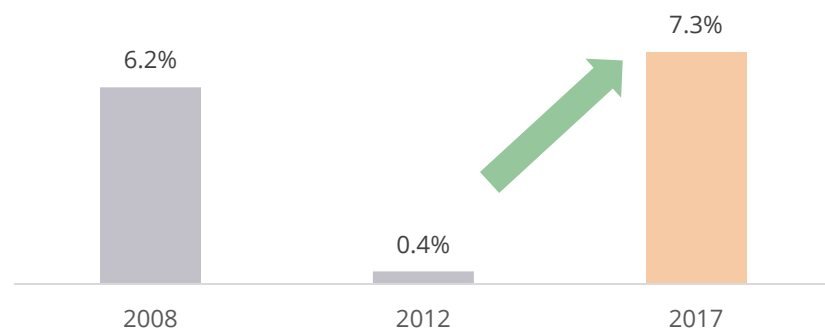
+6% avg. revenue growth 2012-2017



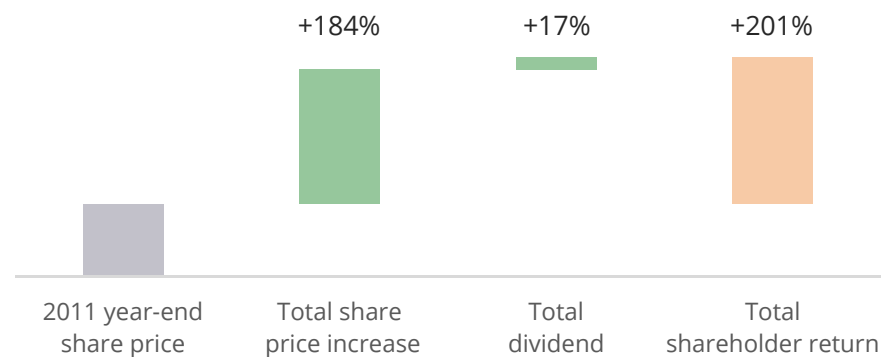
+14% avg. EBITDA growth 2012-2017



ROCE at 10-year high: **+7.3%**



Excellent TSR 2012-11/2018: **+201%**



Clear strategy and growth objectives

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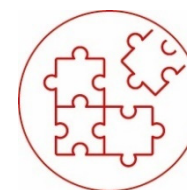


Organic growth

Clear growth strategy



Operational Excellence



**Growth projects &
Portfolio optimization**

*Strong commitment to
transparent objectives*



Financial objectives

**EBITDA 2020
€ 680 mn**

**Return of capital to
shareholders**

**Clear dividend policy
Share buybacks**

Non-financial objectives

**Sustainability
Roadmap 2020**

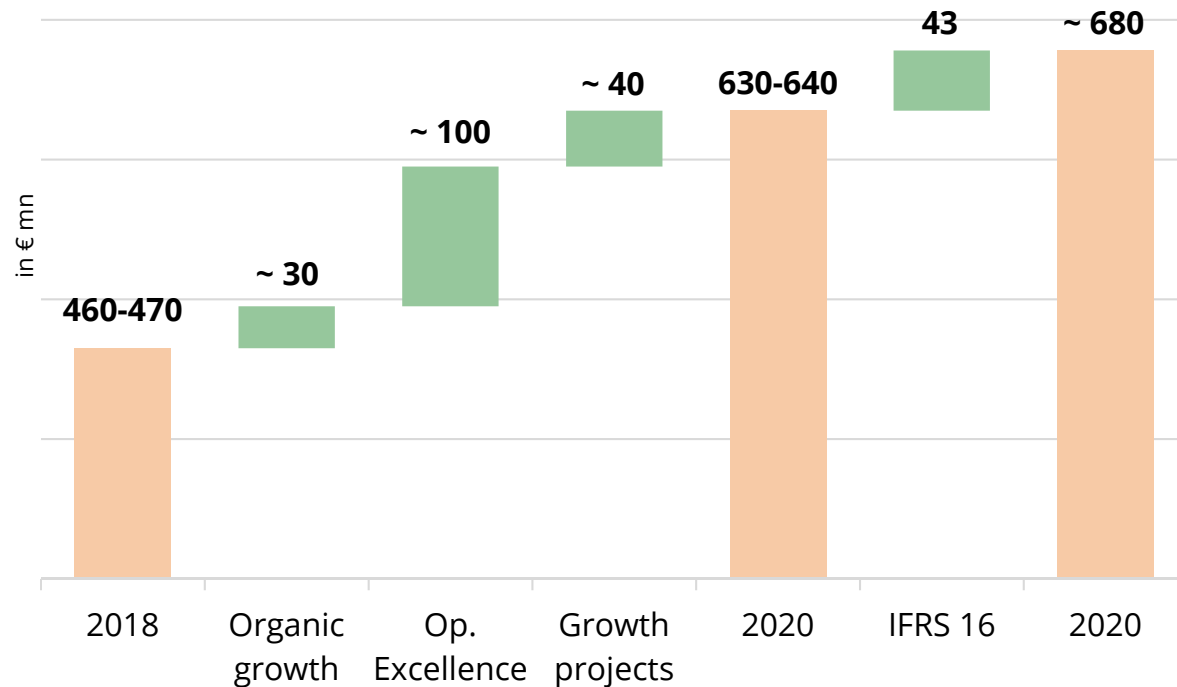
Group strategy

Clear path towards 2020 EBITDA goal

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- ✓ Fully on track to achieve 2018 LFL EBITDA guidance
- ✓ Implementation of performance enhancement program at full speed: **€ 20 mn** delivered in 2018
- ✓ Attractive M&A pipeline

EBITDA growth of **€ 170 mn** from three strategic pillars



Group strategy

Strong dividend increase by 150%

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- ✓ Firm commitment to returning capital to shareholders
- ✓ Between 10% and 30% of free cash flow after accounting for hybrid coupons are paid out to shareholders
- ✓ Strong EBITDA growth will result in significant expansion of dividend base

DPS increased by 150% since 2012



New share buyback program launched

- ✓ We are complementing our dividend policy by share buyback programs
- ✓ We are currently conducting a share buyback program to acquire and cancel up to 1% of share capital
- ✓ We successfully completed a share buyback program in September 2018 returning € 25.9 mn to shareholders

Current buyback program



Buyback of up to 1% of share capital



Program expires on 31/1/2019 at the latest

Completed buyback program



Buyback of 1% of share capital



€ 25.9 mn returned to shareholders

Group strategy

Sustainability Roadmap 2020

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- › Our focus on enhancing our sustainable business model is an integral part of our culture
- › Our Sustainability Roadmap 2020 is a self-imposed commitment to continuously improve our ecological, social, societal and economic performance across the entire value creation process
- › The Roadmap specifies quantitative targets for all areas identified as material by our stakeholders
- › Strategic considerations take into account the interests of our organization as well as those of our stakeholders

Commitment to firm targets



Group strategy

ESG Highlights

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CEO chairs SSC

The Sustainability Steering Committee (SSC) is responsible for the definition of the targets, deadlines and measures of the sustainability program.



Sustainability Roadmap 2020

The Roadmap 2020 is a self-imposed commitment to continuously improve our ecological, social, societal and economic performance. It specifies quantitative targets for all areas identified as material by our stakeholders.



Transparent reporting according to GRI

We are reporting on our progress in accordance to GRI guidelines since 2009. The Sustainability Report 2018 will be in accordance to GRI Standard.

Acceded to the UN Global Compact in 2003

Official commitment to observing the ten principles of human rights, labor standards, environmental protection and the fight against corruption. Annual publication of UN GC Communication on Progress.










Assignment of Wienerberger Social Charter in 2001

Adhering to the conventions and recommendations of the International Labor Organization (ILO), signed by the Managing Board of Wienerberger AG and the Chairman of the European Forum.

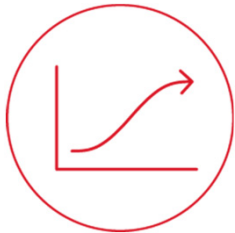


Roadmap defines clear objectives

	AREA		TARGET	ACHIEVEMENT
	EMPLOYEES	»	Zero accidents	IN IMPLEMENTATION
	PRODUCTS	»	Achieve more than 25% of Group revenues from innovative products	
	PRODUCTION	»	Reduce energy consumption and CO ₂ emissions in production by 20% until 2020	IN IMPLEMENTATION
	RECYCLABILITY	»	Increase the share of recycled material per ton of products produced	IN IMPLEMENTATION
	SOCIAL RESPONSIBILITY	»	Zero incidents of corruption	

Group strategy Executive Summary

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Determined execution of value creating growth strategy



Strong track-record of growing profitability and return on capital



Fully on track to achieve 2018 and mid-term EBITDA goals



Firm commitment to returning capital to shareholders



CORPORATE GOVERNANCE

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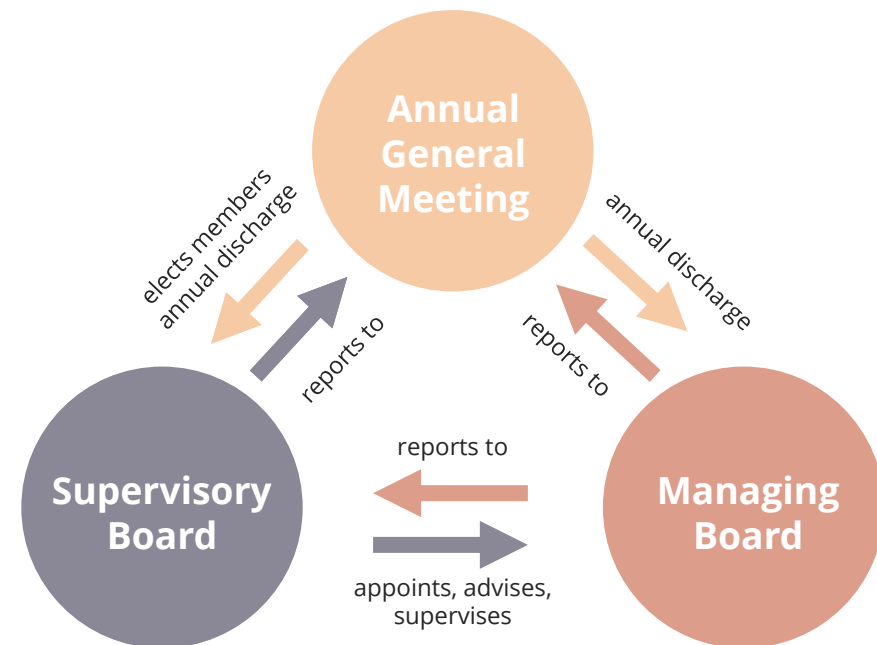
Corporate governance at Wienerberger

Strong commitment

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- As a 100% free float company our commitment to highest governance standards comes natural to us
- ✓ No preferred shares
- ✓ No restrictions to common shares
- ✓ One share – one vote principle
- ✓ Independent and diverse Supervisory Board of international experts
- ✓ Experienced management team with strong track-record
- ✓ Open and transparent communication with all stakeholders

Two-tier board system



Supervisory Board

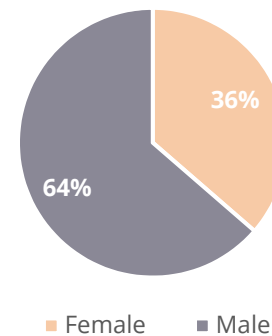
Experienced, diverse, independent

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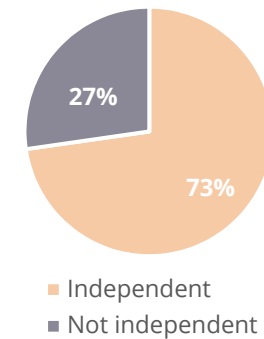
Board members

8	Shareholder Representatives	Elected by the Annual general meeting for a fixed term.
3	Employee Representatives	Delegated by the Works Council for an unlimited amount of time.

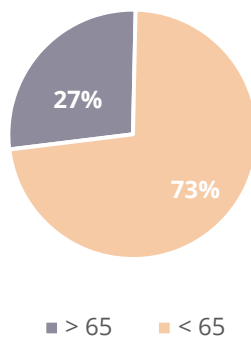
Gender Diversity



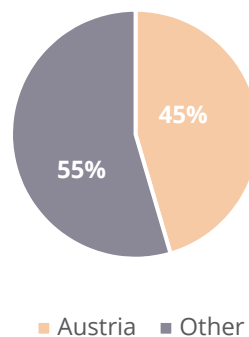
Independence ¹⁾



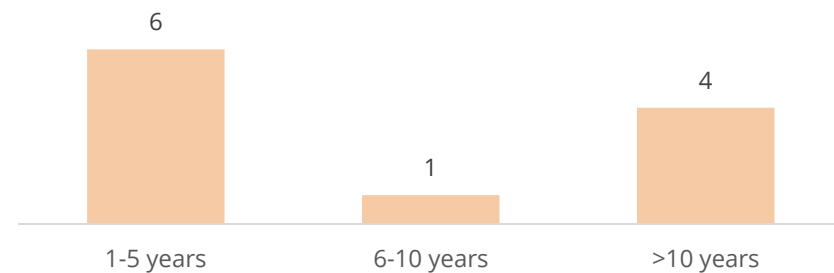
Age: avg. 61



Place of birth



Tenure of Board members ²⁾



1) All shareholder representatives are independent. // 2) Note: By law employee representatives are delegated by the Works Council and their membership is not subject to a time limit. The three employee representatives have been members of the Supervisory Board for 4, 12 and 16 years, respectively.

Supervisory Board

Shareholder representatives: group of experts

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Regina Prehofer (Born 1956, Austria)
Chairwoman of the Supervisory Board
Independent, Member since 2011

Extensive leadership and supervisory Board experience. Career in banking and finance. Start-up investor and advisor.



Peter Johnson (Born 1947, England)
Vice-Chairman of the Supervisory Board
Independent, Member since 2005

Industry expert with profound experience from numerous executive and non-executive positions in building material groups.

David Davies (Born 1955, England)
Vice-Chairman of the Supervisory Board
Independent, Member since 2017

Distinguished expert in finance, M&A and restructuring. Extensive international background.



Caroline Grégoire Sainte Marie (Born 1957, France)
Member of the Supervisory Board
Independent, Member since 2015

Executive positions at various building materials and distribution companies. Distinguished background in distribution and finance.

Christian Jourquin (Born 1948, Belgium)
Member of the Supervisory Board
Independent, Member since 2014

Profound leadership experience from functions in listed companies. Distinguished track-record in transformation management.



Myriam Meyer (Born 1962, Switzerland)
Member of the Supervisory Board
Independent, Member since 2015

Strong background in engineering, automation and robotics as well as human resources and organizational development.

Peter Steiner (Born 1959, Germany)
Member of the Supervisory Board
Independent, Member since 2018

Experience as executive and non-executive director in the building materials industry and particular expertise in capital markets.



Wilhelm Rasinger (Born 1948, Austria)
Member of the Supervisory Board
Independent, Member since 2006

Chairman of the Austrian Shareholder Association. Experience as business consultant and University lecturer.

Supervisory Board

Efficient work structure and co-operation

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- › The Supervisory Board has set up Committees to exercise its advisory and supervisory functions effectively.
- › Committees deal with specific issues and prepare resolutions for voting by the Supervisory Board.
- › To support the regular self evaluation process, this year Boston Consulting Group (BCG) was mandated to conduct a comprehensive performance review, which included personal interviews with all Board members.
- › BCG assessed that *“compared to international and local best-practices the Wienerberger Supervisory Board is at the top in most dimensions, making it highly effective and its work results of high quality.”*

Supervisory Board



Personnel and Nomination Committee

Regina Prehofer,
Chairwoman



Strategy Committee

Peter Johnson,
Chairman



Audit Committee

David Davies,
Chairman

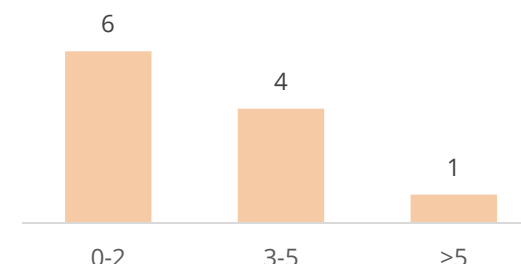
Supervisory Board

High level of dedication and commitment

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Attendance 2017	SB	PNC	SC	AC
Regina Prehofer	9/9	5/5	3/4	-
Peter Johnson	9/9	5/5	4/4	-
David Davies ¹⁾	5/6	-	-	3/3
Caroline Grégoire Sainte Marie ²⁾	9/9	-	2/3	5/5
Peter Steiner ³⁾	-	-	-	-
Christian Jourquin	9/9	-	4/4	5/5
Myriam Meyer	9/9	5/5	-	-
Wilhelm Rasinger	9/9	-	-	5/5
Franz Josef Haslberger ⁴⁾	6/9	-	3/4	-
Harald Nogrsek ⁵⁾	3/3	-	-	5/5
Gerhard Seban (Employee representative)	9/9	5/5	3/4	5/5
Gernot Weber (Employee representative)	8/9	-	-	-
Claudia Schiroky (Employee representative)	5/9	-	-	-

Non-executive position in other companies



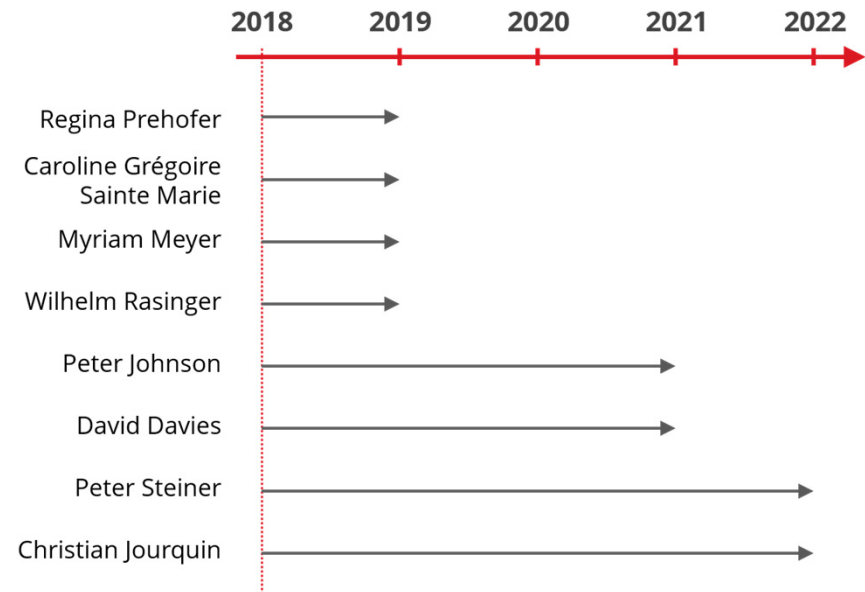
23 board meetings in 2017

- 9** Supervisory Board
- 5** Personnel and Nomination Committee
- 4** Strategy Committee
- 5** Audit Committee

1) Member of the Supervisory Board since May 19, 2017 // 2) Joined the Strategy Committee in May 19, 2017 // 3) Member of the Supervisory Board since June 14, 2018 // 4) Member of the Supervisory Board until June 14, 2018, did not stand for re-election due to health reasons // 5) Member of the Supervisory Board until May 19, 2017
SB...Supervisory Board // PNC...Personnel and Nomination Committee // SC...Strategy Committee // AC...Audit Committee

- › In 2019 the terms of 50% of shareholder representatives end.
- › As announced at this year's AGM Wilhelm Rasinger will not stand for re-election due to reaching the age limit.
- › The other Supervisory Board members, who's terms are ending, will be available for re-election.
- › Based on the self evaluation of the board and the external performance review by BCG, a detailed skills matrix and candidate profile was compiled.
- › Korn Ferry is mandated to support the search process and to review all Board members available for re-election and potential new candidates based on the candidate profile.

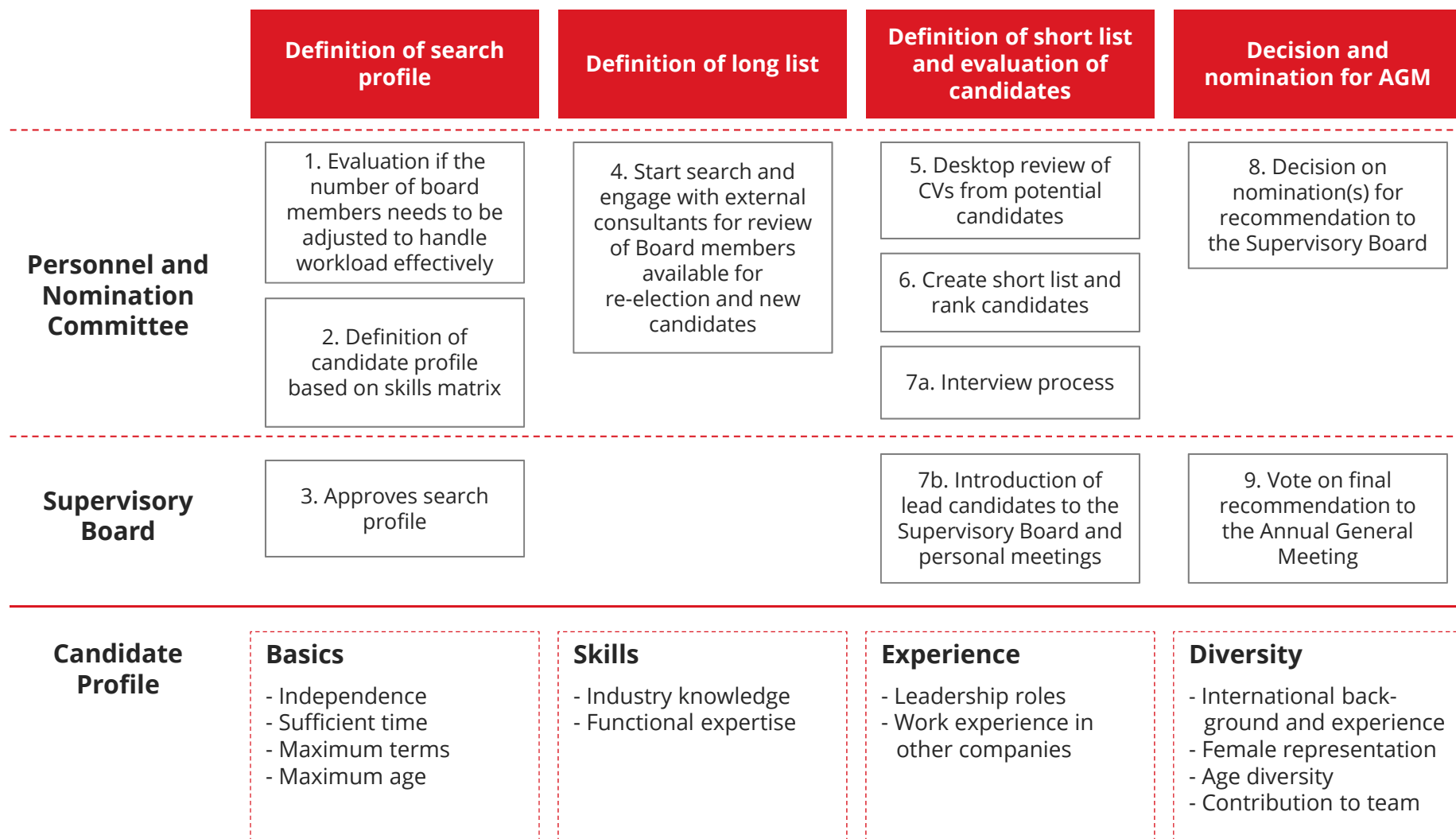
Terms of shareholder representatives



Supervisory Board

Structured search process

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Managing Board

Highly successful and experienced team

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Heimo Scheuch
CEO

Heimo Scheuch

*CEO of Wienerberger AG
Born in 1966, Austria
Appointed until April 1st, 2023*

Heimo Scheuch studied business and law in Vienna, Paris and London. Before assuming the position as CEO in 2009 he served in various executive roles within Wienerberger Group, which he joined in 1996.

Key achievements

- ✓ Comprehensive restructuring
- ✓ Strategic repositioning
- ✓ Cultural transformation
- ✓ Focus on innovation



Willy Van Riet
CFO

Willy Van Riet

*CFO of Wienerberger AG
Born in 1957, Belgium
Appointed until April 1st, 2022*

Willy Van Riet completed a Master's in Business Economics at the University of Gent. Before assuming the position as CFO in 2007 he worked in various executive positions at Wienerberger and other building material groups. He began his professional career as a chartered accountant.

Focus areas of Supervisory Board

- ✓ Board qualification and size
- ✓ Succession Management
- ✓ Effectiveness of co-operation
- ✓ Group strategy and execution
- ✓ Organizational development

Supervisory Board and Managing Board Remuneration systems

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In 2017 Egon Zehnder was mandated with studies on the appropriateness of the amount and structure of the remuneration system for the Supervisory Board and the Managing Board. The studies found that:

Supervisory Board

- › The composition of the remuneration from fixed remuneration components and attendance fees corresponds to international standards
- › The average compensation of a Supervisory Board member is below the average of a peer group of international industrial companies
- › Individual compensation¹⁾ ranged from € 55 thd. to € 106 thd. in 2017

Managing Board

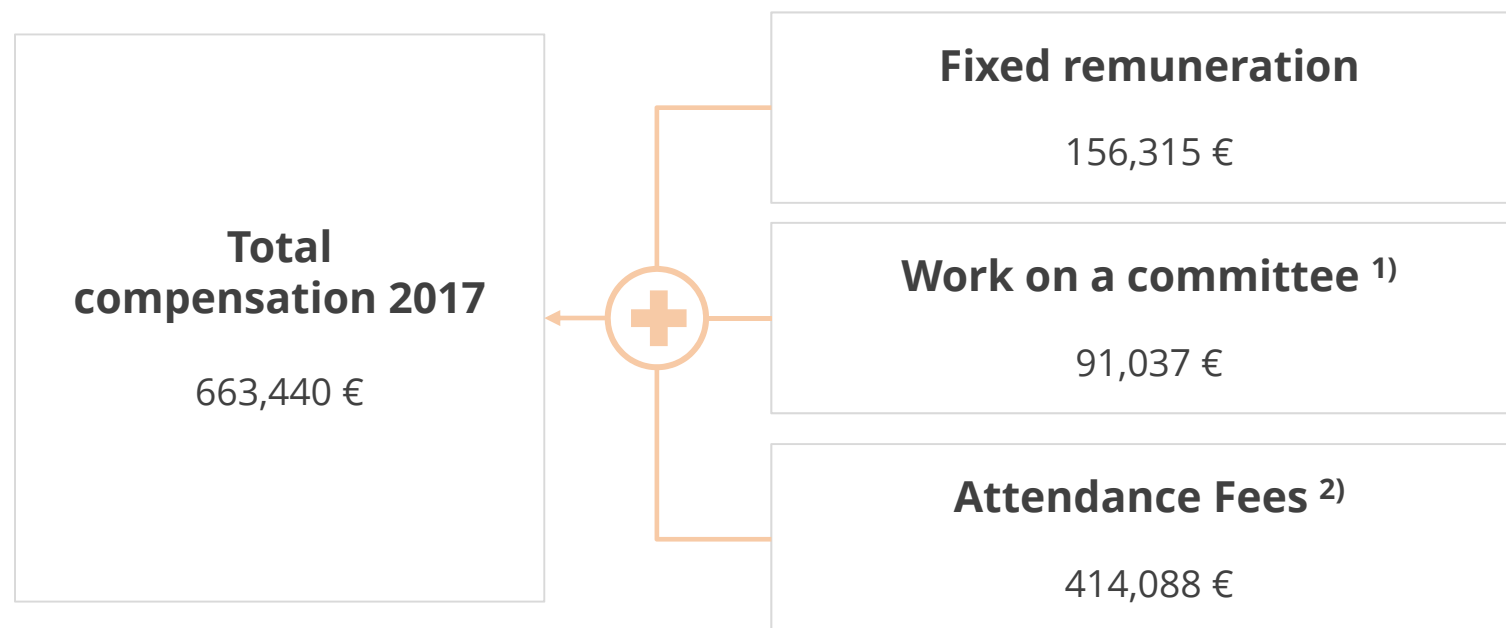
- › The incentive structure is appropriate and remuneration of the Managing Board is below the median of a peer group of international industrial companies
- › The findings resulted in an adjustment of the compensation system
- › Based on the study findings compensation consists of three pillars as of 2018:
 - › Fixed remuneration reflecting the individual scope of responsibility
 - › Short-term variable compensation conditional on the attainment of short-term corporate financial goals
 - › Long-term variable compensation designed to align compensation and shareholder value enhancement

1) For board members serving the full 12 months of 2017.

Supervisory Board Remuneration system

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- › Supervisory Board aggregate remuneration consists of three pillars:



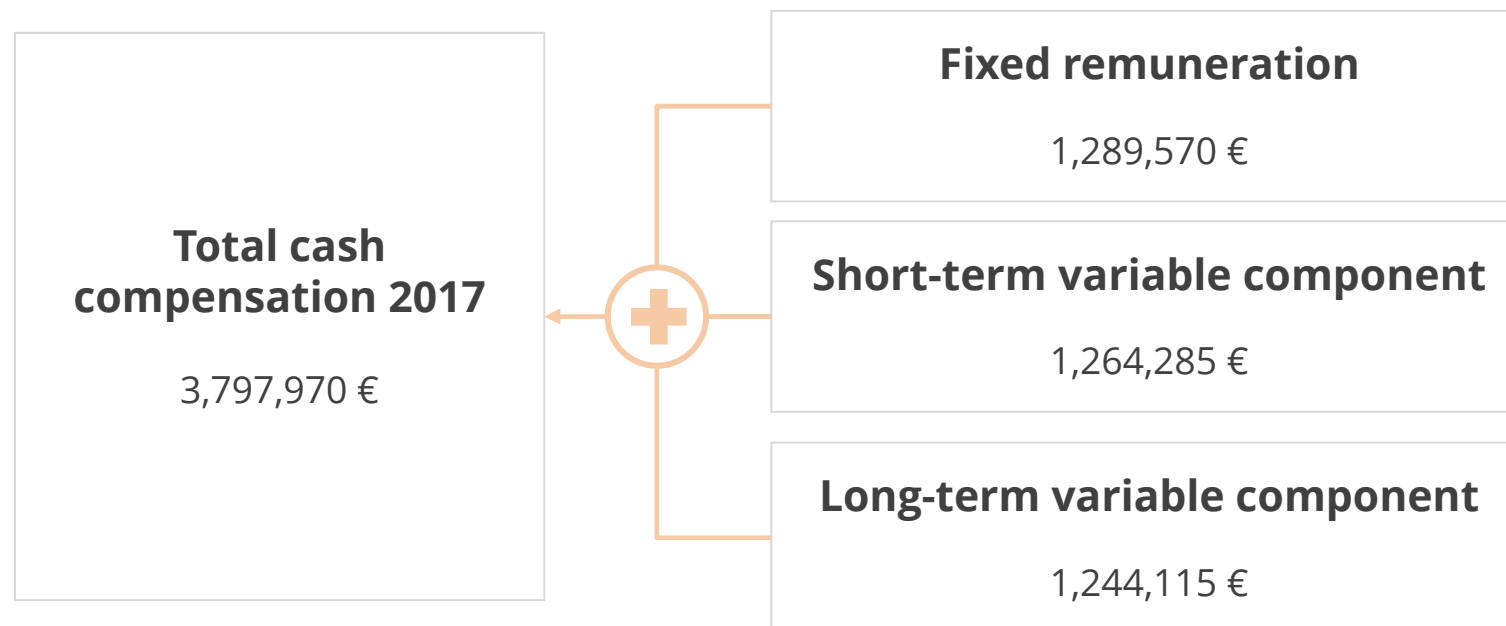
- › The current remuneration system was introduced to and approved by the Annual General Meeting in 2011
- › Strong focus on commitment and active participation by Board members

1) The remuneration is limited to one committee membership per person and is paid only once, even if a Supervisory Board member is active on several committees. // 2) Attendance fees for committee meetings are only paid for meetings not held on the same day as a Supervisory Board Meeting.

Managing Board Remuneration system

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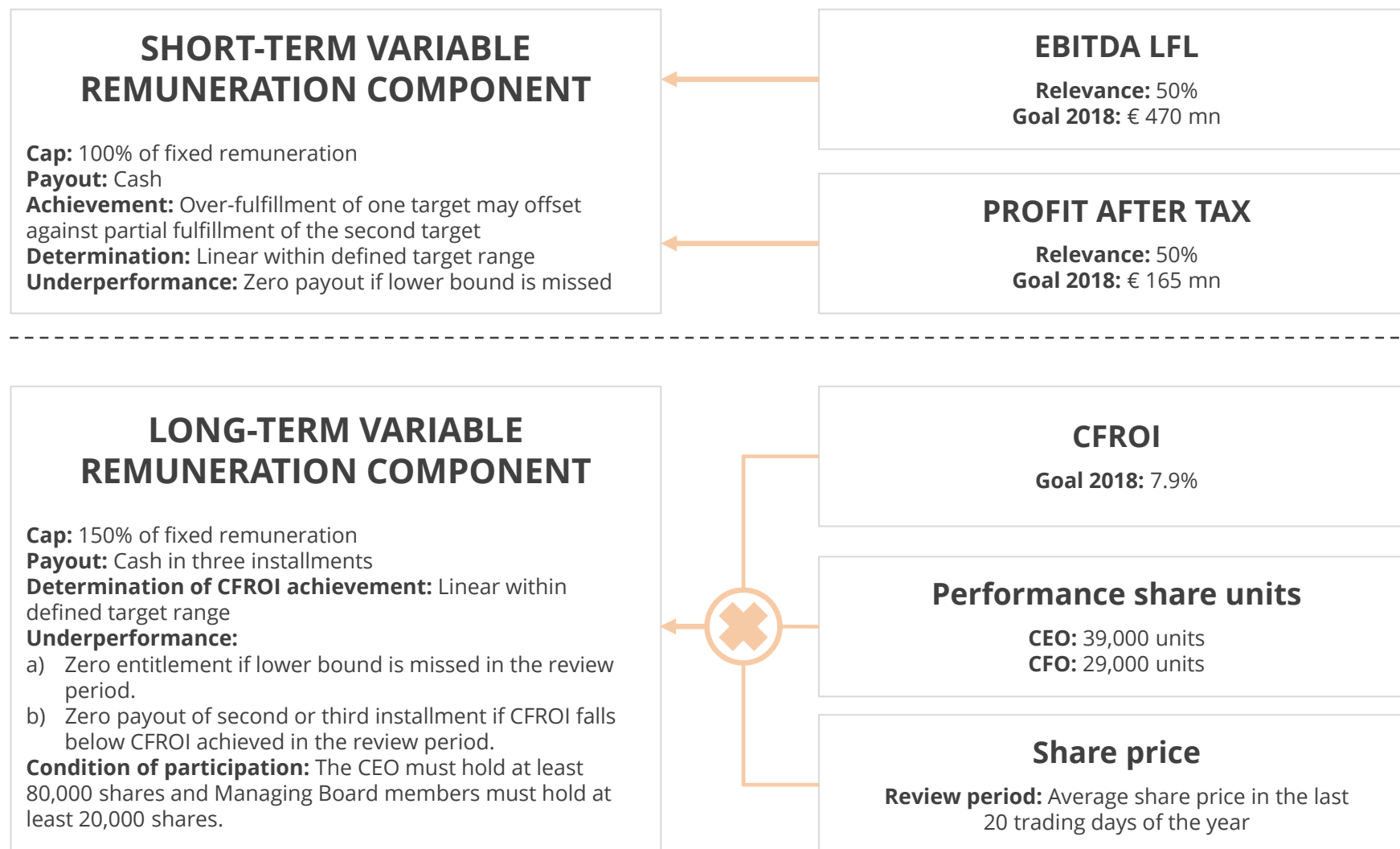
- The Personnel and Nomination Committee is responsible for the structure of the remuneration system.
- Total cash remuneration of the Managing Board amounted to 3,797,970 € in 2017



Managing Board

Variable remuneration

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Corporate Governance

Executive Summary

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- › The Supervisory Board supervises and advises on Wienerberger's operational and strategic development
- › Wienerberger is managed on the basis of effective governance structures
- › Wienerberger is led by highly professional and qualified teams of experts with a strong track-record of generating value creating growth
- › Current focus areas of the Supervisory Board
 - ✓ Board diversity
 - ✓ Continuous optimization of board composition with regards to experience and background
 - ✓ Succession Management in Supervisory Board and Managing Board
 - ✓ Compensation and incentive structure



Strong commitment to highest governance standards and continuous improvement

wienerberger geared for growth

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