

# Wienerberger with strong growth in the first half of 2018

## Overview

- › Strong operational performance and boost in profitability
- › Revenues up by 5% to € 1,606.9 million
- › Adjusted EBITDA up by 18% to € 214.2 million
- › Net profit increased by 28% to € 53.2 million

## Strategy & Outlook for 2018:

- › Target of LFL EBITDA between € 450 and 470 million confirmed
- › € 200 million earmarked for growth investments in 2018
- › Total value of € 150 million to be generated through disposals of operational and non- operational assets until 2020
- › Operational Excellence target significantly increased from € 45 million to € 120 million until 2020

Vienna, August 16, 2018 – Wienerberger AG delivered a very strong operational performance in the first half of 2018. Heimo Scheuch, CEO of Wienerberger AG:

*“The performance of the Wienerberger Group during the first six months of 2018 was extremely satisfactory. We are clearly gaining momentum as we pursue our growth ambitions. We achieved profitability gains and recorded notable organic earnings growth in all Divisions. This confirms the success of our strategy: We will therefore continue to invest in growth projects, pursue the optimization of our portfolio and implement efficiency-enhancing measures. In this area, we intend to realize EBITDA improvements of around € 120 million by 2020, relative to 2017. This means that we plan to intensify all our optimization measures and with € 120 million, we are aiming significantly beyond our previously outlined target of € 45 million.”*

The dynamics of Wienerberger’s excellent first quarter performance continued throughout the second quarter of 2018. From April to June, the Group recorded a 7% increase in revenues over the prior period’s level to € 931.5 million and a 7% increase in EBITDA to € 154.8 million. As a result, Wienerberger’s revenues at Group level grew by 5% to € 1,606.9 million in the first half of the year, despite unfavorable foreign exchange effects. Organic EBITDA (excluding one-off costs and income) grew by 18% to € 214.2 million. Irrespective of the costs of structural adjustments, the Group’s net profit improved by 28% to € 53.2 million, up from € 41.7 million in the first half of 2017.

## Business performance at Division level

### European brick business: Significant earnings growth in Eastern Europe

In the first half of the year, Wienerberger's European brick business delivered improved revenues and earnings. The company's strong position in the Eastern European growth markets was reflected in notable double-digit revenue and earnings growth in the region. Business in Western Europe remained stable at the previous year's level. The consistent implementation of measures aimed at improving profitability led to a highly satisfactory rise in organic EBITDA. In total, the Division's revenues came to € 918.7 million in the first half of 2018, up by 6% from the first half of 2017. At € 158.7 million, EBITDA was 7% higher than in the comparable period of the previous year.

### Pipes & Pavers Europe Division: Measures to improve earnings are taking effect

The Pipes & Pavers Europe Division succeeded in increasing its revenues by 7% to € 534.1 million in the first half of the year. Non-recurrent restructuring costs caused a drop in EBITDA from € 37.8 million to € 28.4 million. However, the consistent reorientation of operations in France have already led to improved earnings in the Western European plastic pipe business. All other improvement measures taken in 2017 and the first quarter of 2018 are producing results, e.g. in the ceramic pipe business. Relative to the comparable period of the previous year, revenues of the Division grew by 9% to € 315.0 million in the first quarter of 2018 and EBITDA rose significantly by 20% to € 37.4 million.

### North America Division: Higher earnings and improved margins in all segments

Business in North America was marked by a steep increase in earnings in both bricks and pipes. This successful performance is due to the consistent reorientation of the Division over recent years. Despite a currency-related reduction in revenues of 3% to € 149.3 million, EBITDA grew by 79% to € 23.6 million.

## Strategic measures and outlook for 2018

*Heimo Scheuch: "The strategic optimization of our portfolio is making good progress. Until 2020, we plan to generate a total value of up to € 150 million through the disposal of assets, including operational as well as non-operational assets. At the same time, in pursuit of our growth strategy, we recently took over a brick producer in the Netherlands, a pipe specialist in Norway and a paver plant in Romania. With a view to further attractive possibilities, we have earmarked approximately € 200 million for growth investments over the course of 2018."*

For 2018 as a whole, Wienerberger expects to see substantial revenue and earnings growth in the Clay Building Materials Europe Division. For the Pipes & Pavers Europe Division, the positive market trend is projected to continue and further earnings growth is expected. In the USA, the economic environment is anticipated to remain favorable and should enable the North America Division to generate significant growth in earnings.

Overall and from today's perspective, Wienerberger confirms its target of increasing its adjusted EBITDA at Group level to the projected range of € 450 million to € 470 million for the full year.

For the complete report on the first half of 2018, the video message by Heimo Scheuch, CEO of Wienerberger AG, on the mid-year results, as well as the webcast of the press conference at 9:30 am, please visit [wienerberger.com/en](http://wienerberger.com/en).

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**Wienerberger Group**

Wienerberger is the world's largest producer of bricks (Porotherm, Terca) and the market leader in clay roof tiles (Koramic, Tondach) in Europe as well as concrete pavers (Sammelrock) in Central and Eastern Europe. In pipe systems (Steinzeug-Keramo ceramic pipes and Pipelife plastic pipes), the company is one of the leading suppliers in Europe. With its total of 193 production sites, the Wienerberger Group generated revenues of € 3,120 million and EBITDA of € 415 million in 2017.

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