

# Wienerberger: Record results despite flat end markets in 2019

## Highlights of the business year 2019

- › Record revenues of € 3.5 billion (+5 %)
- › EBITDA LFL of € 587 million (+24 %) surpassed target of € 570-580 million
- › Fast Forward ahead of plan: € 50 million incremental contribution to EBITDA
- › Reported EBITDA of € 610 million above mid-term target
- › 20% dividend increase proposed for 2019: from € 0.50 to € 0.60 per share

## Strategy and outlook for 2020

- › Innovation and continuous strategic transformation to solution provider drive further organic growth
- › Attractive growth pipeline for M&A
- › EBITDA LFL increase up to € 625-645 million despite continuous flat to slightly softening markets

Vienna, February 26, 2020 – In 2019, the Wienerberger Group delivered the best result in its 200-year history. Revenues at Group level increased by 5% to a record level of € 3.5 billion (2018: € 3.3 billion). EBITDA LFL grew significantly by 24% to € 587 million (2018: € 475 million). With a 38% rise in EBITDA to € 610 million (2018: 443 million), Wienerberger surpassed its € 600 million target set for 2020. “Our reported record revenues and earnings confirm that our value-enhancing growth strategy pursued during the past 10 years has been extremely successful, especially in the year of our 200<sup>th</sup> anniversary. Despite a flat market environment and softening demand in some of our markets in the second half of the year, we continued to grow”, says CEO Heimo Scheuch, commenting on the Company’s strong performance. Throughout the year, Wienerberger consistently advanced the optimization of its portfolio through acquisitions and added a variety of value-creating solutions to its existing product range.

Growth in revenues was primarily attributable to a strong improvement of the product mix. The focus on innovative product solutions and the exit from less profitable operating segments, combined with intensified measures to enhance the Group’s economic performance, translated into clearly measurable success. “Our 2019 results show that we have taken the right steps in transforming the company into a solutions provider. Alongside the continuous improvement of our product portfolio, our internal efforts within the framework of the Fast Forward program led to highly satisfactory results”, emphasizes Heimo Scheuch. The implementation of the performance-enhancing Fast Forward program is progressing faster than planned and has delivered an incremental contribution to EBITDA of € 50 million (€ 10 million ahead of the original plan).

On the basis of this strong operating performance, Wienerberger’s profit after tax rose substantially by 87% to € 249 million (2018: € 134 million). Earnings per share increased to € 2.18 in 2019 from € 1.15 in 2018. Given such growth recorded in the reporting year, the Managing Board will propose an increase of the dividend by 20% to € 0.60 per share from € 0.50 to the Annual General Meeting.

### **Significant earnings growth in all Business Units**

In 2019, Wienerberger recorded strong developments in each of its three Business Units. Despite a largely flat market environment, Wienerberger Building Solutions generated an excellent result, reporting 6% revenue growth to € 2,171 million and a significant 23% increase in EBITDA LFL to € 455 million. Wienerberger Piping Solutions, benefiting from improvements to its product mix and an optimized cost structure, reported substantial growth in earnings. While revenues increased slightly by 1% to € 959 million, EBITDA LFL showed an outstanding development of 43% to € 100 million. The North America Business Unit reported revenues of € 336 million, up by 9% from the previous year. The brick producer in Pennsylvania acquired at the end of 2018 delivered a strong contribution to EBITDA, which rose by 18% to € 43 million.

### **Focus on sustainable growth**

In 2020, Wienerberger will continue to pursue its value-creating growth strategy. “Our answers to global challenges such as climate change, resource scarcity, lack of skilled labour and digitalization will drive our future growth”, states Heimo Scheuch. Energy-efficient brick solutions and innovative piping systems such as Raineo will improve the quality of life and positively contribute to our environment. Digitalization of processes and pre-fabricated solutions will increase the efficiency at construction sites and help to save resources at the same time. In addition, Wienerberger will step up its efforts aimed at preserving biodiversity, promoting the circular economy and pushing for decarbonization. With these objectives in mind, the percentage of secondary raw materials for the production of plastic pipes is to be further increased to 85 kg per ton for this year. By recultivating depleted clay pits, Wienerberger is creating valuable habitats for plants and animals and thus actively contributing to biodiversity. Furthermore, through its intensive efforts, Wienerberger promotes a further reduction of specific energy consumption in its brick plants, benefiting both the environment and our cost structure.

### **Outlook 2020**

For 2020, Wienerberger expects its business to continue operating in mostly flat to slightly softening end markets. Wienerberger is however well positioned for sustainable growth on the back of a value-enhancing growth strategy embedding focus on organic growth, operational excellence, growth projects and portfolio optimization. The target set for 2020 is to increase the Wienerberger Group’s EBITDA LFL to € 625-645 million. This will be achieved through intensive performance enhancement measures under the Fast Forward Program, which will contribute a further € 50 million to EBITDA and thus successfully complete the ambitious performance improvement of € 120 million by the end of 2020. Through an active pricing policy we will offset rising cost inflation, and continuous efforts to upgrade our product mix will further increase our profitability. In addition, with our focus on innovation and a promising M&A growth pipeline we will continue to strengthen our position as a solution provider for the building envelope and infrastructure. We plan to invest € 140 million in 2020 in the maintenance of our industrial platforms and in continued programs to further improve our health and safety standards.

The complete 2019 annual financial statements will be published on March 30, 2020 and be available to download at [www.wienerberger.com/en](http://www.wienerberger.com/en). A video statement by Wienerberger CEO Heimo Scheuch on the full-year figures and a webcast of the presentation of the 2019 results (at 9:00 am) can be accessed at [www.wienerberger.com/en](http://www.wienerberger.com/en)

Note: EBITDA includes the effect from the first time adoption of IFRS 16 Leases.

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**Wienerberger Group**

The Wienerberger Group is a leading international provider of smart solutions for the entire building envelope and for infrastructure. 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 (Semmelrock) 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 201 production sites, the Wienerberger Group generated revenues of € 3.5 billion and EBITDA LFL of € 587 million in 2019.

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