



# Wienerberger Results 2019

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## Cautionary note regarding forward-looking statements

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# 2019: Record year for Wienerberger

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## Revenue growth

- > **4% growth** of revenue LFL despite flat to softening markets driven by
  - > Upgrade of product mix
  - > Higher average prices to cover cost inflation



## Increased profitability

- > Focus on strategic growth markets and segments
- > Increased share of higher-margin products
- > Optimized cost structures



## Mid-term target 2020

- > Mid-term target of € 600 mn EBITDA already achieved in 2019 (€ 610 mn)



## Fast Forward

- > Performance enhancement program progressing ahead of plan
- > Delivering incremental EBITDA contribution of **€ 50 mn**



## M&A

- > Value-adding bolt-on acquisitions
- > Successful portfolio optimization measures

**€ 587 mn**

EBITDA LFL

**+24%**

# Wienerberger achieved its best results in 200 years history

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Revenue

**€ 3,466.3 mn**

(2018: € 3,305.1 mn | +5%)  
LFL <sup>1)</sup>: +4%

EBITDA LFL <sup>2)</sup>

**€ 587.5 mn**

(2018: € 475.3 mn | +24%)

Free cash flow <sup>3)</sup>

**€ 286.0 mn**

(2018: € 272.5 mn | +5%)

EBITDA LFL margin

**17.3%**

(2018: 14.4%)

1) Adjusted for effects from consolidation and FX

2) Adjusted for effects from consolidation, sale of non-strategic and non-operating assets, FX and structural adjustments; incl. the effects of the implantation of IFRS 16

3) Free cash flow for FY 2019 includes lease payments of € 42.9 mn following the implementation of IFRS 16

# Group Strategy

## Focused on value creation

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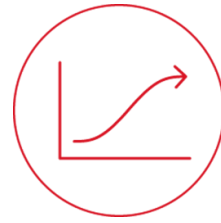
①

Organic  
growth



②

Operational  
Excellence



③

Growth projects  
Portfolio optimization



**Strong track record in consistent implementation  
of our sustainable growth strategy**

# ① Organic growth

## Our growth drivers

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### Innovative solutions

- › Electrical spider concept
- › Pre-fabricated electrical power supply based on digital plan
- › Reduces installation time from 16h to 3h



### Digitalization

- › Wienerberger Building platform
- › All4Roof
- › Digital Building Libraries



### Value adding applications

#### Tackling shortage of skilled labor

- › Prefabricated brick walls
- › Construction plans are digitally transformed and precisely built according to customer needs



### Market proximity

- › First climate positive infill brick
- › Certified by „TÜV“
- › Exceptional thermal insulation value
- › Excellent sound insulation
- › Healthy indoor climate

#### Porotherm 38 W.i



## ② Operational Excellence Fast Forward contribution ahead of plan

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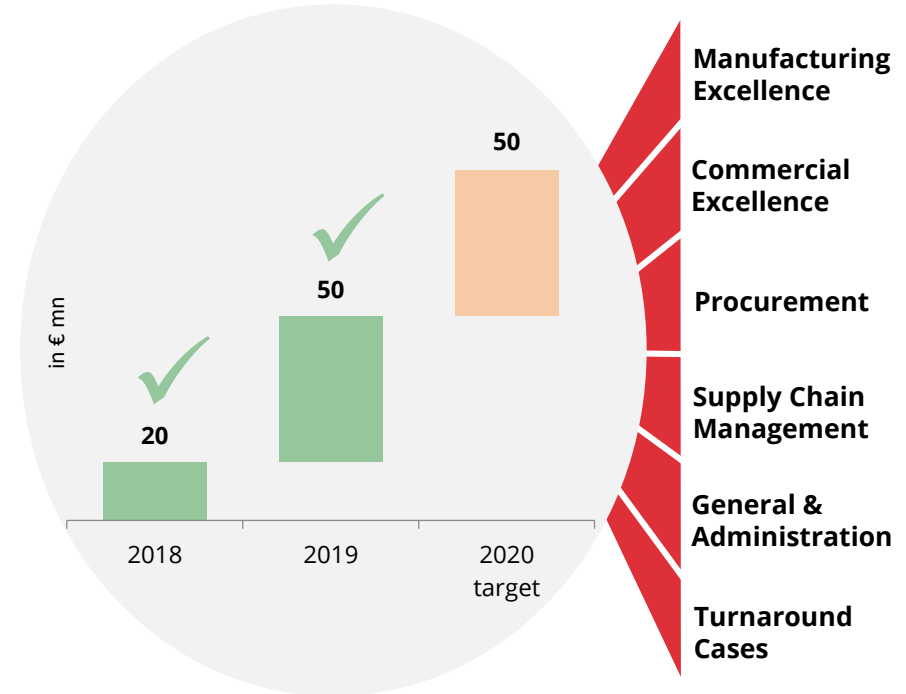
- › Fast Forward performance enhancement program delivers ahead of plan:

**€ 50 mn** EBITDA contribution in 2019

- › Continuous focus on improving product mix
- › Automation projects, efficiency improvements and energy savings
- › Optimized input costs driven by new procurement organization

**2020 contribution:  
additional € 50 mn**

Fully on track to realize full  
**€ 120 mn** performance improvement



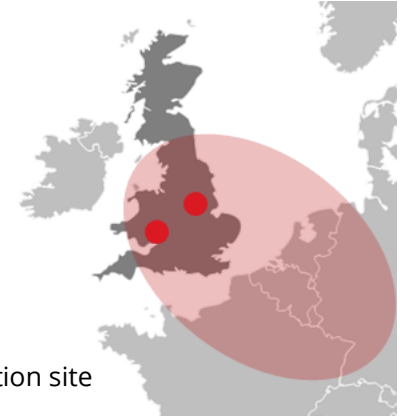
### ③ Growth projects

## Acquisition of BPD Group

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- › BPD is a specialist producer of accessories for roofing solutions and the building envelope
- › Important further step towards becoming an integrated supplier of full-range roofing and building envelope solutions
- › Acquisition of BPD grows our addressable share of the total value of the building envelope
- › Revenue 2018: GBP 30 mn

**BPD will become Wienerberger's  
center of excellence for roof  
system solutions**





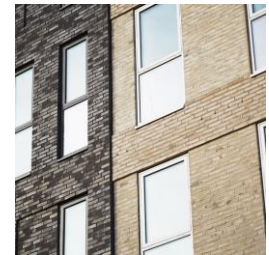
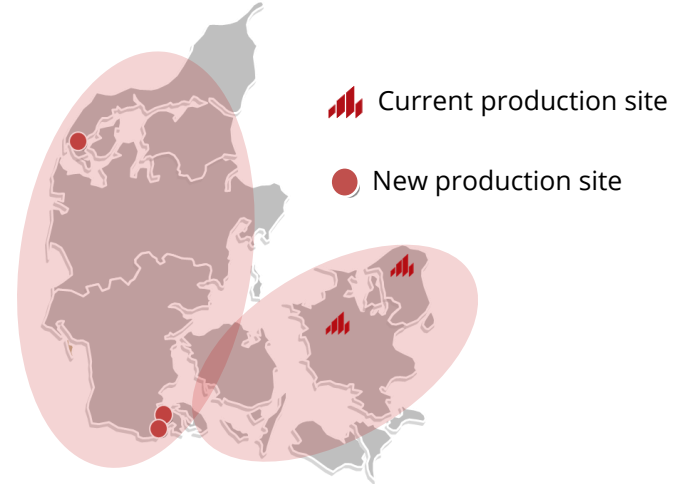
### ③ Portfolio optimization

## Acquisition of Danish facade businesses

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- › Strengthening of market position in residential construction as well as commercial and public projects in the attractive Nordic facade market
- › Enhanced product portfolio and distribution platform through acquisition of
  - › Two producers of innovative, high-quality facing bricks and ceramic accessories
  - › A distribution company operating under one of the most recognized brick brands in Denmark
- › Combined revenues of € 95 mn

Successful restructurings of underperforming assets of total € 350 mn revenues;  
2019 achievement: ~ € 100 mn



# Return of capital to shareholders

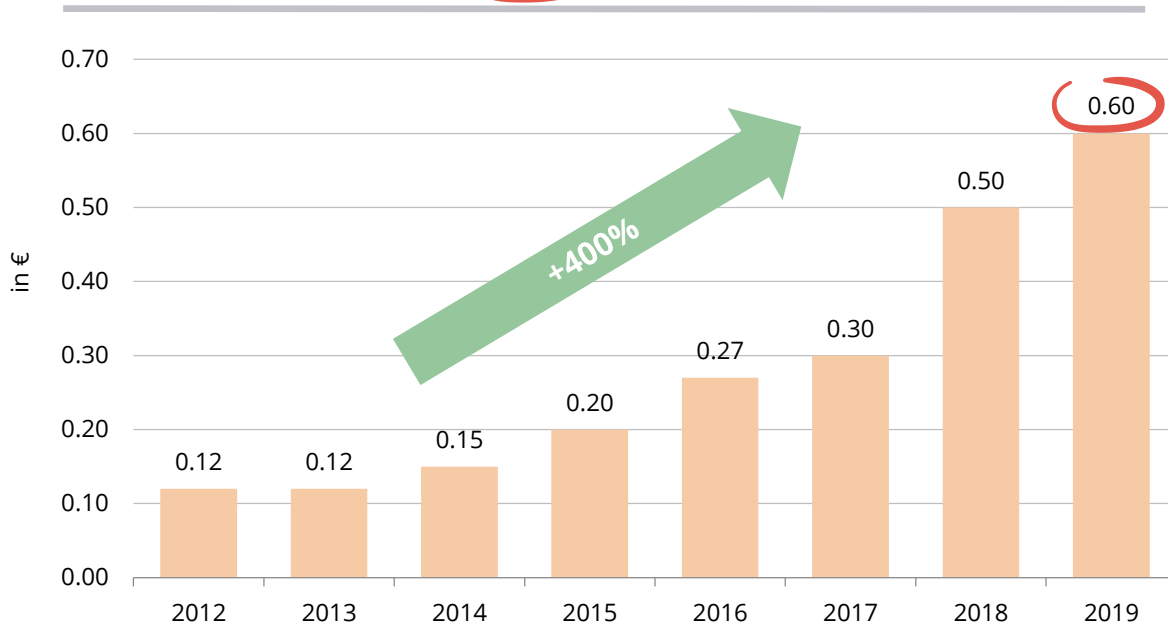
## Selective share buyback complement dividend

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- > Strong increase of proposed **dividend to € 0.60 per share** reflects strong operating performance
- > **Buyback** and cancellation of **1% of shares** issued in 2019
- > Clear policy of distributing 20-40% of free cash flow in form of dividend and share buybacks

**30%** of free cash flow or € 87 mn returned to shareholders in 2019

Dividend increase by **400%** since 2012



## Summary highlights 2019

# Clear focus on sustainable growth and cash generation

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- ✓ Record sales and earnings in 200 years history due to consistent implementation of sustainable growth strategy
- ✓ Strong focus on innovation and enhanced revenue share of high value-adding solutions
- ✓ Significant earnings growth despite broadly flat market environment
- ✓ Fast Forward fully on track to deliver promised € 120 mn EBITDA improvement by end of 2020
- ✓ Bolt-on acquisitions as further step towards a full system provider
- ✓ Proposed dividend increase of 20% year-on-year

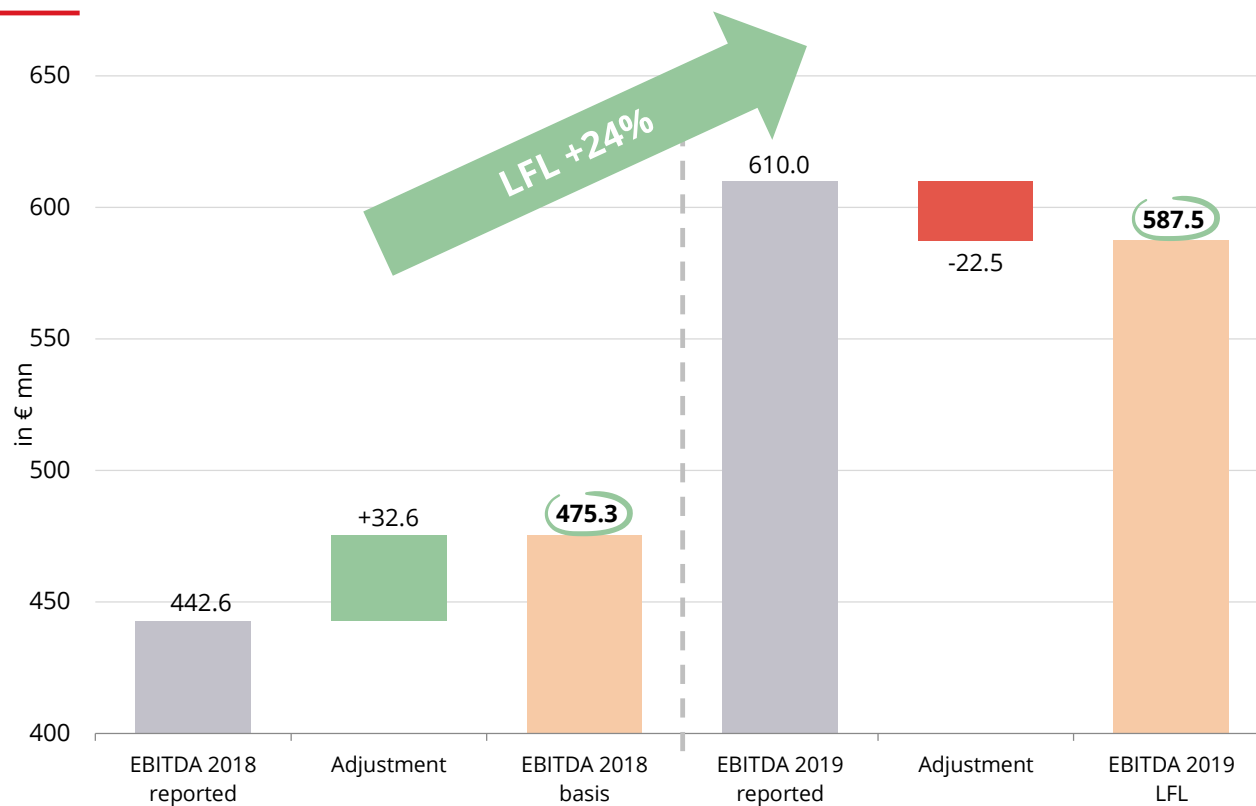


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# FINANCIALS 2019

# LFL EBITDA development

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EBITDA adjustments (in € mn)	2019	2018
<b>EBITDA reported</b>	<b>610.0</b>	<b>442.6</b>
FX	-0.1	-
Consolidation <sup>1)</sup>	-13.7	-
Sale of assets <sup>2)</sup>	-8.7	-23.2
Structural adjustments <sup>3)</sup>	+0.0	+55.8
<b>Total adjustment</b>	<b>-22.5</b>	<b>+32.6</b>
<b>EBITDA LFL</b>	<b>587.5</b>	<b>475.3</b>

- 1) Includes one offs in the amount of € 3.8 mn*
- 2) Sale of non-strategic and non-operating assets*
- 3) Costs related to repositioning and restructuring of selected businesses*

Note: Rounding differences may arise from automatic processing of data

# Income statement

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in € mn	2019	2018	Chg. in %
Revenues	3,466.3	3,305.1	+5
<b>EBITDA LFL</b>	<b>587.5</b>	<b>475.3</b>	<b>+24</b>
<b>EBITDA</b>	<b>610.0</b>	<b>442.6</b>	<b>+38</b>
<b>EBIT</b>	<b>362.7</b>	<b>239.8</b>	<b>+51</b>
Financial result	-47.4	-44.5	-7
<b>Profit before tax</b>	<b>315.3</b>	<b>195.3</b>	<b>+61</b>
Income taxes	-52.5	-48.5	-8
<b>Profit after tax</b>	<b>262.8</b>	<b>146.9</b>	<b>+79</b>
Hybrid coupon and non-controlling interests	-13.7	-13.4	-2
<b>Net result</b>	<b>249.1</b>	<b>133.5</b>	<b>+87</b>

Note: Rounding differences may arise from automatic processing of data

# Total investments

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<b>in € mn</b>	<b>2019</b>	<b>2018</b>	<b>Chg. in %</b>
Maintenance capex	140.1	130.3	+8
<i>in % of depreciation &amp; amortization</i>	<i>57%</i>	<i>67%</i>	-
Special capex	115.4	85.6	+35
<b>Total investments</b>	<b>255.5</b>	<b>215.8</b>	<b>+18</b>
M&A	47.9	79.2	-40
<b>Total investments and M&amp;A</b>	<b>303.3</b>	<b>295.0</b>	<b>+3</b>

- › Strict financial discipline
- › Clear guidance for maintenance capex
- › Selected discretionary projects dependent on free cash flow generation

*Note: Rounding differences may arise from automatic processing of data*

# Balance sheet ratios and KPIs

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in € mn	2019	2018	Chg. in %
ROCE <sup>1)</sup>	10.6%	7.5%	-
Equity <sup>2)</sup>	2,076.8	1,939.1	+7
Equity ratio	50.3%	51.8%	-3
Net debt	871.4	631.6	+38
Net debt / EBITDA	1.4	1.4	-
Gearing	42.0%	32.6%	-

- › Mid-term ROCE target >10% has been exceeded for the first time as a result of the strong operative performance
- › Additional increase in net debt and gearing due to IFRS16 implementation (€ +215 mn finance lease)
- › Nevertheless, net debt / EBITDA remains constant at 1.4 at year end

1) Including IFRS16 effects

2) Including non-controlling interest and hybrid capital (100% equity according to IFRS)

Note: Rounding differences may arise from automatic processing of data



# Balance sheet management

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Attractive refinancing of Corporate Bond 2020 through first Green Loan



Clear commitment to sustainability goals through **initial green financing**



Consistent implementation of the sustainability strategy has a **positive effect on financing costs**



**Refinancing** of the 2013-2020 corporate bond at **attractive conditions**

## Green Loan 2020-2027


Volume	€ 170 mn
Interest rate	Linked to sustainability rating & bank covenants; Currently <1% p.a.

Reduction of annual financing cost € ~ 10 mn

## Corporate Bond 2013-2020

Volume	€ 300 mn
Coupon	4% p.a.
Maturity	April 2020

Bond will be refinanced with Green Loan and cash



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**OUTLOOK**

# Wienerberger is well-positioned for sustainable growth

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- ✓ **Strategic transformation**
  - › Innovations and the continuous strategic transformation toward a solution provider drive further organic growth
- ✓ **Fast Forward**
  - › Fast Forward will contribute a further € 50 million to EBITDA
  - › Successful completion of ambitious performance enhancement program of € 120 million by end of 2020
- ✓ **M&A**
  - › Attractive growth pipeline for M&A
  - › Further strengthen our position as a solution provider for the building envelope and infrastructure

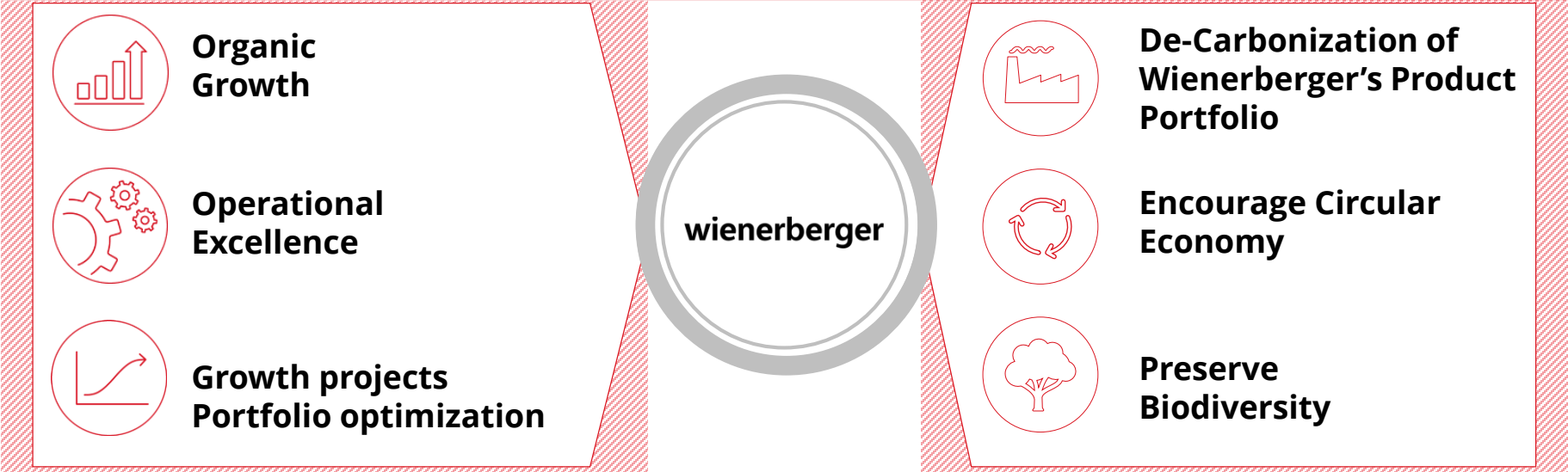


**Well positioned for 2020 and beyond**

# Our clear strategy and sustainability focus areas position Wienerberger for future success

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Entrepreneurial success based on sustainability strategy 2020+



Anticipate and encourage opportunities / technological developments and new product applications to create additional value for our customers

# Strategic focus topics

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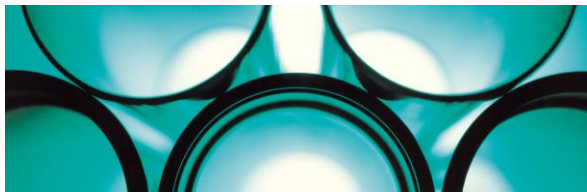
## Building Solutions



- > **Consolidation** and **new materials**
- > Develop **integrated system solutions** which are easy to handle and affordable
- > Drive **digital build environment**
- > **Increase our share in the building envelope**

Mid-term EBITDA margin > 20%

## Piping Solutions



- > Further develop **value-adding solutions** in the **inhouse segment**
- > Focus on smart solutions in **water** and **energy management**
- > Become strong partner for **agriculture industry** with drainage and irrigation

Mid-term EBITDA margin > 12%

## North America



- > **Drive market penetration** in strategic growth areas supported by digital agenda and enhanced distribution channels
- > **Active market consolidation**
- > Building a **competitive growth platform in pipes business** via optimization of existing business and targeted acquisitions

Mid-term EBITDA margin > 12%

# De-carbonization of Wienerberger's Product Portfolio

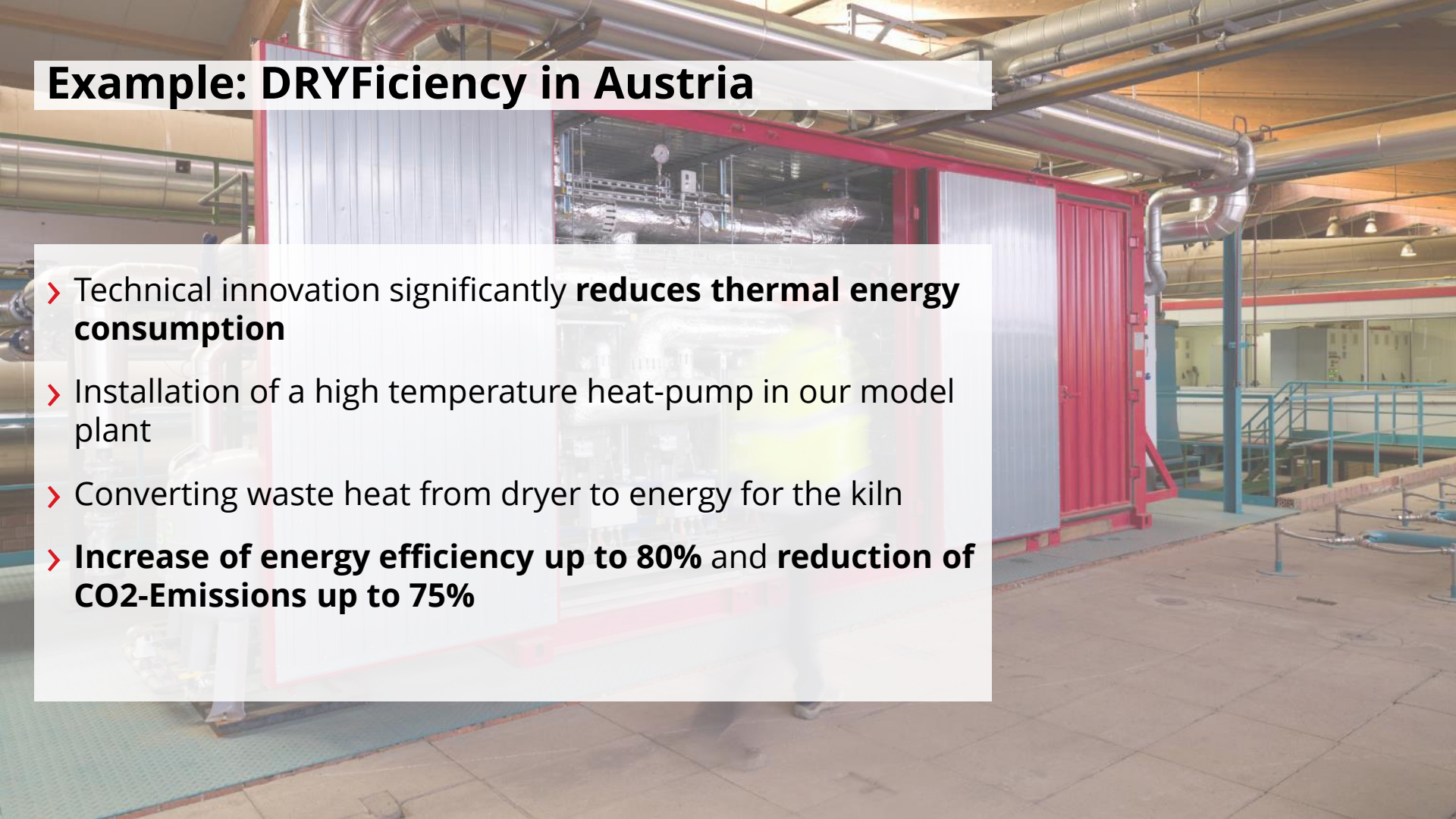
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› Wienerberger will make sure that all of its products during their lifecycle will **positively contribute to de-carbonation** and enable **a negative carbon footprint**

› Update of our Materiality Analysis in 2020

› Clear measurable targets for 2023 for the entire Group

## Example: DRYFiciency in Austria

The background image shows an industrial facility with large machinery, including a red and white structure, and numerous silver pipes running across the ceiling and walls. The floor is made of large, light-colored tiles.

- Technical innovation significantly **reduces thermal energy consumption**
- Installation of a high temperature heat-pump in our model plant
- Converting waste heat from dryer to energy for the kiln
- **Increase of energy efficiency up to 80% and reduction of CO<sub>2</sub>-Emissions up to 75%**

# Encourage Circular Economy

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- › Wienerberger commits to **resource efficiency** as well as encouragement of circular economy
- › We will actively promote that all products produced by Wienerberger **are either reusable or fully recyclable**
- › Update of our Materiality Analysis in 2020
- › Clear measurable targets for 2023 for the entire Group



## Example: Specific successes Piping Solutions

> **Target 2020 of share of secondary raw materials** in plastic pipe production was reached already in 2018

- > 75 kg/ton in 2018
- > 85 kg/ton in 2019



# Preserve Biodiversity

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- › Wienerberger **commits to** and actively **preserves biodiversity**
- › We will undertake all actions to contribute positively in order to **increase biodiversity** in the regions where we are active
- › Update of our Materiality Analysis in 2020
- › Clear measurable targets for 2023 for the entire Group

## Example: Project in Belgium

- › Natural barrier to **protect residents and animals from factory operations**
- › Ideally suited for the settlement of **endangered animal populations**
- › Eco-corridor connects the nature reserve of the Belgian bank of the Albert Canal with the Dutch nature reserve along the Meuse
- › 12 ha covers the entire area with the neighboring re-naturalized clay pit

# Outlook 2020

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EBITDA LFL



**€ 625 - 645 mn\***



Fast Forward



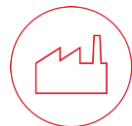
€ 50 mn EBITDA contribution



Balance Sheet Ratios



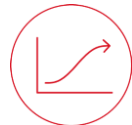
**ROCE target >10%**  
**Net Debt / EBITDA <2.5x**  
**Working capital / revenues <20%**



Maintenance capex



~ € 140 mn



Special capex



Discretionary investments in Fast Forward and organic growth projects



M&A



We continue to work on a highly attractive deal pipeline and expect to move ahead on a number of M&A opportunities

\* depending on economic and geopolitical uncertainties



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geared for growth