

Wienerberger reports strong performance in Q1 2020

Highlights

- › Revenues up by 2% to € 793 million
- › EBITDA LFL of € 105 million, almost at previous year's level (€ 109 million)

Outlook for 2020

- › Strong portfolio and diversified end markets are a notable advantage in a challenging environment
- › Strategy remains focused on innovation, sustainability and digitalization
- › Potential Covid-19 scenario for 2020 EBITDA LFL developed

Vienna, May 14, 2020 – The Wienerberger Group closed the first quarter of 2020 with excellent results, continuing the successful course of the previous year despite the first negative effects of the Covid-19 pandemic.

“Once again, the first quarter of 2020 confirmed the notable strengthening of our position in recent years”, says Wienerberger CEO Heimo Scheuch, commenting on the company’s performance in the first quarter. “With our excellent portfolio, our diversified positioning in residential construction and infrastructure in 30 countries, and our focus on innovation, sustainability and digitalization, we are able to draw on our strength, even in times of crisis. We have the right set-up to master the crisis and to continue on our successful growth path in the long term.”

In the first quarter of 2020, revenues at Group level increased by 2% to € 793 million (2019: € 777 million). This positive development was driven by strong demand for high-quality product solutions in all markets. The strong performance contrasted with the initial negative effects of the Covid-19 crisis. Thanks to the clear focus on innovative products and the successful implementation of further efficiency-enhancing projects, EBITDA LFL came to € 105 million and almost matched the previous year’s record level (€ 109 million). However, this strong operating result was negatively impacted by non-recurrent, non-cash valuation adjustments. Owing to the Covid-19 pandemic, the targets for individual markets had to be adjusted accordingly, which resulted in impairment charges of roughly € 116 million in the first quarter of 2020. The majority of this impairment (€ 94 million) is attributable to the full write-off of goodwill in North America. In addition, impairment losses were recognized for the same reason on various tangible assets across selected European markets (€ 22 million).

Wienerberger has put in place a comprehensive program of measures to manage the effects of the crisis, with particular focus on cash generation, cost optimization, flexible capacity adjustments and the safeguarding of further liquidity. We are building on a strong balance sheet and have been able to strengthen our financial base with additional bank loans in recent weeks. At the same time, the 4% bond in the amount of € 300 million was redeemed as planned on April 17, 2020, thus completing the largest repayment for this year. After this redemption, Wienerberger has liquid funds of approximately € 500 million available.

Strong development of Wienerberger Building and Piping Solutions

During the first three months of 2020, the development and performance of both Wienerberger Building Solutions and Wienerberger Piping Solutions was highly satisfactory. Notwithstanding the dampening effect of the first lockdown measures taken in Western Europe, revenues for Wienerberger Building Solutions increased by 5% to € 500 million (2019: € 477 million). EBITDA LFL came to € 81 million, slightly below the previous year's level of € 86 million. Wienerberger Piping Solutions delivered broadly stable revenues of € 221 million (2019: € 224 million). As a result of our strategic focus on high-value products and the performance-enhancement measures we have undertaken, EBITDA LFL reached a record level of € 19 million (2019: € 17 million). Developments in the North America Business Unit were affected by extreme weather events and the outbreak of Covid-19. Revenues amounted to € 71 million (2019: € 76 million), while EBITDA LFL came to € 5 million (2019: € 6.5 million).

Outlook for 2020

“In these challenging times, we will actively seize our opportunities and consistently pursue our value-creating growth strategy. Above all, we will continue to drive innovation, sustainability and digitalization. This creates the basis for future growth”, notes CEO Heimo Scheuch.

Owing to the lockdown in almost all countries, Wienerberger anticipates that the impacts of the pandemic will be felt most strongly in the second quarter of 2020. Wienerberger currently expects that governments will gradually ease the restrictions and lift the lockdown step-by-step, with economic activities slowly returning to normal. Moreover, we expect that most governments will pursue new economic stimulus packages in response to Covid-19, which may have a positive impact on our infrastructure business.

Given the challenges of projecting future market and business performance in the current climate, we have considered a range of scenarios. On the assumption that no further lockdown measures are implemented in our markets and demand normalizes quickly, Wienerberger anticipates market declines in 2020 of between 15% and 20% across the Wienerberger Group. In this case, we expect that EBITDA LFL would reach a range of € 440 to 480 million. Due to the continuous dynamic market environment we will provide a regular update with regards to the scenario.

We have the capabilities and the infrastructure to master the current crisis. We provide smart, digital solutions, operate local production sites, and react quickly and flexibly to changes in the environment. In the long run, this is how Wienerberger will successfully continue on its growth path.

For the complete report on the first quarter of 2020, please click here <https://www.wienerberger.com/en>

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 (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 201 production sites, the Wienerberger Group generated revenues of € 3.5 billion and EBITDA LFL of € 587 million in 2019.

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