

Wienerberger proves its resilience in H1 2020 and is well prepared for the recovery

Highlights

- › Wienerberger continues to benefit from its digital solutions and portfolio of premium products
- › Resilient performance with revenues of € 1,642 million (-5%) and EBITDA LFL of € 255 million (-12%) in a challenging market environment
- › Significantly enhanced liquidity and robust balance-sheet, with net leverage of 1.6x as at 30 June 2020 (30 June 2019: 1.8x)

Outlook for 2020

- › Intensified focus on innovation, sustainability and digitalization
- › Well-positioned to benefit from governmental economic stimulus programs
- › Due to solid July trading, guidance increased to € 480–500 million EBITDA LFL

Vienna, August 12, 2020 – After a strong start to 2020, Wienerberger has delivered solid first half-year results despite the impact of the Covid-19 pandemic.

Commenting on the company's performance, Chairman of the Managing Board of Wienerberger, Heimo Scheuch, noted: "Our mid-year results clearly show that our business is very resilient and we are able to cope with such a crisis. Due to our experienced management team, we reacted quickly and therefore performed well. We took the necessary steps to ensure the health and safety of our employees and partners throughout the crisis. Thanks to a high degree of digitalization, our supply chains were never interrupted and we were able to provide our customers with sustainable solutions even during the most difficult phase of the crisis. Starting in June, we benefited from pent-up demand accumulated during the lockdown phase."

Despite lockdowns in many of Wienerberger's core markets, the company closed the first half of the year with Group revenues of € 1,642 million, just 5% below the previous year's record level (H1 2019: € 1,736 million). In the context of a difficult market environment, which was severely impacted by the crisis, Wienerberger succeeded in further improving its product mix by focusing on premium solutions, and continued to perform strongly in regard to pricing. In terms of EBITDA LFL, the Fast Forward program made a positive contribution of € 15 million. At € 255 million, EBITDA LFL showed solid development and fell short by only 12% of the record level seen in H1 2019 of € 290 million.

Wienerberger reacted immediately to Covid-19 by adopting a comprehensive program of measures. To ensure operational continuity, Wienerberger successfully introduced strict health and safety standards along the entire value chain. Through stringent working capital management and cost discipline, the company was able to increase its cash position to € 414 million by mid-2020, up from € 129 million at the end of 2019. Our balance sheet position remains robust, with a net debt/EBITDA ratio at the half-year of 1.6x (30 June 2019: 1.8x).

Performance at Wienerberger's Business Units

After a strong start to the year, performance in the Building Solutions Unit slowed down in the second quarter, driven by the effects of Covid-19. Despite the lockdown in many of our Western markets, revenues declined by only 6% to € 1,014 million (H1 2019: € 1,074 million). At € 184 million, EBITDA LFL fell short of the previous year's level of € 220 million.

Wienerberger Piping Solutions succeeded in generating further growth in earnings. While revenues declined moderately by 5% to € 470 million (H1 2019: € 497 million), EBITDA LFL improved by 7% to € 55 million (H1 2019: € 51 million).

The performance of the North America Business Unit was not only impacted by the Covid-19 outbreak, but also by extreme weather conditions in certain regions. Despite this difficult environment, the Business Unit delivered a solid performance. Revenues amounted to € 155 million (H1 2019: € 165 million) and EBITDA LFL reached € 16 million (H1 2019: € 19 million) and we saw a strong pent-up demand in June continue in July.

Outlook for 2020

"Thanks to the outstanding efforts made by our employees, we have weathered the crisis and now look to the future from a position of strength. Mainland Europe, the UK and the USA urgently need investment in infrastructure, residential construction and renovation. The economic stimulus programs adopted to overcome the Covid-19 crisis and the Green Deal of the European Union will create new momentum in our markets. Hence, we expect to see a recovery in our industry, to which we will actively contribute with our innovative and sustainable solutions", says CEO Heimo Scheuch.

Notwithstanding the current environment, Wienerberger will consistently pursue its value-creating and sustainable growth strategy, with its primary focus being on innovation, sustainability and digitalization. With its energy-efficient brick solutions and innovative piping systems, Wienerberger substantially improves people's quality of life and contributes to the protection of our environment. The digitalization of processes and the use of prefabricated assemblies enhances the efficiency of construction site work and helps to save valuable resources. At the same time, Wienerberger will step up its focus on the decarbonization of production and the product portfolio, the promotion of the circular economy, and the preservation of biodiversity.

For the current business year 2020, Wienerberger increases its guidance after a solid trading level in July. Despite the fact, that visibility remains low, the company expects a less severe market decline for the full year 2020 of minus 10% (previously -15%) across the Group's end markets. Based on the assumption of no further lockdowns in its key markets, prices holding up and Fast Forward program will contribute approximately € 30 million, Wienerberger increases its EBITDA LFL guidance to € 480-500 million (previously € 460-480 million).

In view of the economic stimulus packages adopted by governments, the company sees significant potential for growth in the medium-to-long-term. "Once these programs begin to take effect, consumer confidence will come back and investments in infrastructure and renovation will pick up. Even today, roughly 25% of Wienerberger's revenues are accounted for by infrastructure and 20% by renovation. We intend to further broaden our offering with regard to these segments. With our innovative system solutions, digital business models and smart services, we are very well positioned to grow organically and advance in our role as a pioneer of sustainable building solutions in the construction industry. At the same time, we see a unique opportunity for Wienerberger to play an active role in the consolidation of our industry in Europe, the UK and North America and gain additional scale and capability through attractive acquisitions", notes CEO Heimo Scheuch.

For the complete report on the first half of 2020, please refer to <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 201 production sites across the Group, Wienerberger generated revenues of € 3.5 billion and EBITDA LFL of € 587 million in 2019.

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