

Wienerberger: Resilient 2020 performance and a strong platform for further growth

2020 highlights

- › Group revenues of € 3.4 billion (-3%) remain near record highs
- › EBITDA LFL at € 566 million, substantially above our increased target of € 545 million
- › Free cash flow increased significantly by 39% to € 397 million
- › Dividend proposal for 2020: € 0.60 per share

Strategy and outlook for 2021

- › Consistent implementation of Strategy 2023
- › Further improvement of ESG performance
- › Operational excellence, innovation and digitalization as drivers of organic growth
- › Selective acquisitions to strengthen positions in core markets
- › Target for EBITDA LFL in 2021 increased to € 600-620 million

Vienna, February 24, 2021 – Despite the Covid-19 crisis, the Wienerberger Group delivered a highly satisfactory set of results. Group revenues amounted to € 3.4 billion (2019: € 3.5 billion), almost matching the previous year's record level. Given its strong performance in the second half of the year, the Group generated EBITDA LFL of € 566 million, substantially surpassing even the previously increased guidance of € 545 million (2019: € 594 million). *"Our robust results confirm Wienerberger's resilience and clearly show that we are on the right course. In the past, we created the necessary prerequisites which now enable us to react swiftly to unforeseen events. Thus, we succeeded in weathering the crisis, consistently pursued our growth strategy, and positioned ourselves optimally for the future"*, says CEO Heimo Scheuch, commenting on the company's performance. Throughout 2020, Wienerberger continued to focus on the transformation of its product portfolio, working constantly on its optimization and adding smart system solutions.

It is primarily due to government-imposed measures to contain the Covid-19 pandemic that revenues and earnings fell slightly short of the previous year's record level. Lockdowns in numerous key markets resulted in temporary interruptions of business activities. Nevertheless, Wienerberger consistently pursued its value-enhancing growth strategy and implemented strict cost management and efficiency-enhancing measures. By the end of 2020, Wienerberger reported an increase in its cash position to € 666 million (2019: € 129 million). The financing structure was further improved through the redemption of the hybrid bond for approx. € 215 million (date of repayment Feb. 9, 2021) and the issue of Wienerberger's first Green Bond. The hybrid bond was previously classified as equity for accounting purposes and therefore outside of previously reported net debt. Despite these measures, plus the payout of the dividend and the share buyback transaction, Wienerberger managed to decrease net debt (before hybrid) substantially to a very low level of € 657 million, implying net leverage of 1.2x (2019: 1.4x). Net result was affected by non-cash impairments in Q1 2020 and came to € 89 million (2019: € 249 million). *"Given our strong operational performance, we almost matched the record levels achieved in 2019. Combined with the further optimization*

of our financing structure, this enabled us to strengthen our strategic position through selective acquisitions; in North America, for example, we succeeded in positioning ourselves as the new number one in the market for façade solutions”, says Heimo Scheuch.

In line with the company’s balanced, long-term profit distribution policy, Wienerberger paid out a dividend of € 67 million and returned another € 20 million to its shareholders through share buyback transactions in 2020. Moreover, the hybrid bond, previously accounted for as equity, was redeemed for an amount of € 215 million. In view of recent capital returns and refinancing activity, the Managing Board will propose to the Annual General Meeting that a dividend of € 0.60 per share, unchanged from the previous year, be paid out for the 2020 business year.

Robust developments in all Business Units

Despite the Covid-19 pandemic, Wienerberger delivered a strong performance in each of its three Business Units. The Wienerberger Building Solutions Business Unit generated revenues of € 2.1 billion (2019: € 2.2 billion). Notwithstanding the substantial restrictions imposed through Covid-19 lockdowns, EBITDA LFL amounted to € 414 million, falling short of the previous year’s level (2019: € 456 million) by only 9%. At Wienerberger Piping Solutions, proactive margin management and strict cost discipline resulted in improved operational performance and strong profitability. While revenues declined slightly by 3% to € 933 million, EBITDA LFL grew by 4% to € 104 million. The North America Business Unit reported a slight decrease in revenue of 3% to € 325 million. This was more than offset by disciplined cost management and continuous portfolio optimization, leading EBITDA LFL to increase steeply by 23% to € 48 million.

Focus on sustainable solutions

Wienerberger will continue to advance its growth strategy throughout 2021. The company’s focus remains on operational excellence, organic growth through innovation, external growth through M&A and substantial improvements in the field of ESG. *“We are determined to contribute significantly to the improvement of people’s quality of life and the protection of the environment, and we will make the necessary investments to this end”*, emphasizes Heimo Scheuch. Valuable resources can be saved, and the consequences of unforeseeable weather events can be counteracted through the digitalization of processes and the introduction of smart solutions in the fields of water and energy management. Moreover, energy-efficient brick solutions and innovative pipe systems have the potential to improve people’s quality of life and, at the same time, protect the environment. Wienerberger will also step up its efforts aimed at decarbonizing production and the product portfolio, promoting the circular economy, and preserving biodiversity within the framework of its Strategy 2023. By 2023, the Group’s CO₂ emissions are to be reduced by 15%, as compared to 2020. Likewise, all new products are to be designed so as to make them 100% recyclable or reusable.

Outlook for 2021

Wienerberger expects the prevailing atmosphere of uncertainty caused by Covid-19 to continue in 2021, at least during the first half of the year. In the medium term, Wienerberger expects to benefit from the economic stimulus programs launched by governments in the wake of the pandemic, especially in the renovation and infrastructure segments. In this environment, Wienerberger is perfectly positioned to further pursue its value-enhancing growth strategy, given the Group’s strong cash flow and its low gearing. Rising cost inflation and, in particular, the challenge of increasing raw material prices in plastic pipe production will put further pressure on the company’s operational performance, especially in the first half of the year. However, Wienerberger is confident that cost inflation can be covered through commercial excellence measures in the course of the year. Ongoing measures to optimize and broaden the portfolio will translate into a continuous rise in profitability. In 2021, Wienerberger intends to spend € 120 million in the maintenance of its industrial platforms and € 140–160 million in growth investments. At the same time, Wienerberger is evaluating numerous attractive growth projects offering promising potential for earnings enhancement and compelling returns on invested capital.

“Our target for the business year 2021 is to increase EBITDA LFL to € 600 to 620 million, thus returning to the pre-crisis level, regardless of the Covid-19 related challenges that we continue to face. We will meet this target on the basis of our own strength, without accounting for earnings effects from disposals or acquisitions, such as the acquisition of Meridian Brick, which is still in the approval process”, notes Heimo Scheuch in conclusion.

The complete annual financial statement for 2020 will be published on March 29, 2021, and will be available for download at www.wienerberger.com/en.

A video statement by Wienerberger CEO Heimo Scheuch on the full-year figures and the webcast of the presentation of the results at 9:00 am can be accessed at www.wienerberger.com.

Wienerberger Key Financials

External revenues						
<i>in MEUR</i>	2020	2019	<i>Chg. in %</i>	Q4 2020	Q4 2019	<i>Chg. in %</i>
Wienerberger Building Solutions	2,092.1	2,170.6	-4	510.4	519.2	-2
Wienerberger Piping Solutions	932.6	959.4	-3	213.8	212.9	0
North America	325.0	335.7	-3	82.2	78.1	5
Group	3,349.7	3,465.6	-3	806.4	810.1	0

EBITDA LFL ¹⁾						
<i>in MEUR</i>	2020	2019	<i>Chg. in %</i>	Q4 2020	Q4 2019	<i>Chg. in %</i>
Wienerberger Building Solutions	413.9	455.6	-9	101.5	106.1	-4
Wienerberger Piping Solutions	103.7	99.8	4	17.4	18.7	-7
North America	48.0	38.9	23	15.0	6.8	>100
Group	565.6	594.2	-5	133.9	131.6	2

1) Adjusted for effects of changes in the scope of consolidation, foreign exchange effects, disposals of core and non-core assets, and structural adjustments

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 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 197 production sites, the Wienerberger Group generated revenues of € 3.4 billion and EBITDA LFL of € 566 million in 2020.

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