

Wienerberger acquires leading provider of piping solutions in Croatia

- › With its new production site near Rijeka (HR), Wienerberger broadens its range of plastic piping systems solutions for in-house applications
- › Acquisition of Vargon d.o.o., in line with Wienerberger's growth strategy, enhances value creation in Croatia and South-Eastern Europe

Vienna, June 9, 2022 – The Wienerberger Group, the world's leading supplier of building materials and infrastructure solutions, announces that an agreement to acquire Vargon d.o.o. has been signed. Through the acquisition of Vargon, Wienerberger strengthens the market position of its Piping Solutions Business Unit in South-Eastern Europe. Vargon d.o.o. is a leading provider of in-house solutions for water applications and water discharge systems in Croatia. Operating from its production site near Rijeka, the family business generated revenues of € 24.4 million in 2021. The acquisition enhances Wienerberger's expertise in in-house installation systems and perfectly complements the Group's position in infrastructure, water, and wastewater systems in South-Eastern Europe.

Commenting on the transaction, Heimo Scheuch, Chairman of the Managing Board of Wienerberger AG, says, "The acquisition of the family-run Vargon business enables us to further strengthen our position as a partner for the entire building envelope in Europe. This is entirely in line with our sustainable growth strategy focused on innovation and local value creation. In Vargon, we have found a partner whose corporate culture, like Wienerberger's, is based on respect and trust."

Wienerberger expects Vargon to leverage significant growth potential through its association with Pipelife. As regards the future growth path, Wienerberger intends to focus, in particular, on the in-house segment and to further develop the well-known Vargon brand. Vargon will be able to benefit from Wienerberger's solution competence and diversify into infrastructure solutions. At the same time, the acquisition of Vargon strengthens and broadens Wienerberger's product portfolio in the in-house segment, as well as in the area of infrastructure.

With Vargon, Wienerberger is entering the Croatian market with a production site of its own and strengthening its presence in South-Eastern Europe. This enables Wienerberger to supply not only Croatia, but also the South-Eastern European markets from its regional production. Moreover, Wienerberger is building a strong position in the in-house segment in Croatia. Goran Brašnić, the current CEO and shareholder, retains a 20% stake in Vargon.

Goran Brašnić, Managing Director of Vargon, says, "I am happy to have found a strategic partner in Wienerberger; as a global operator providing an innovative and comprehensive range of all-in solutions for water applications as well as water discharge systems and infrastructure solutions, Wienerberger will ensure the sustainable further development of our company."

Details of the transaction

The closing of the transaction will take place in 2022, subject to necessary antitrust approvals and the fulfillment of other conditions precedent typical for such transactions.

The contracting parties agreed not to disclose the purchase price.

About Vargon

Vargon d.o.o. is a family business that has been covering the entire product range for water applications as well as discharge systems in the in-house pipe segment since 1990. Holding a leading position in Croatia, the company supplies not only its Croatian home market, but also customers in neighboring markets. With its plastic pipes and fittings for water supply, Vargon also reports strong growth in the infrastructure segment. With a workforce of about 250 employees, Vargon operates a production site near Rijeka.

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 (Simmelrock) in Eastern Europe. In pipe systems (Steinzeug-Keramo ceramic pipes and Pipelife plastic pipes), the company is one of the leading suppliers in Europe. By acquiring Meridian Brick, Wienerberger further strengthened its position as a leading supplier of facade products in North America. With its total of 215 production sites, the Wienerberger Group generated revenues of € 4.0 billion and EBITDA LFL of € 671 million in 2021.

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