

Wienerberger building Europe's first true pitched roof expert

- › Wienerberger intends to acquire Terreal's business in Germany, France, Italy, Spain and the USA. The businesses in Austria, Poland and Hungary remain under the ownership of the existing shareholders
- › Terreal is a successful European supplier of innovative roof and solar solutions headquartered in France
- › Wienerberger to expand its market presence in the attractive renovation and repair markets of France and Germany
- › Enhanced joint solution offering by leveraging Terreal's highly complementary product portfolio
- › Combined pitched roof business expected to sell approx. 75 million m² of roof annually, doubling Wienerberger's roofing sales, and have an enhanced proposition in solar solutions for the roof

Vienna, December 20, 2022 – The Wienerberger Group, a leading provider of sustainable building materials and infrastructure solutions, announces that it has submitted an offer to acquire selected core businesses of Terreal from its shareholders.

Terreal: A successful European supplier of roofing products focused on renovation and repair

The scope of the transaction would include the business of Terreal in France, Italy, Spain and the USA, and the German and Benelux businesses of Creaton, acquired by Terreal in 2020, altogether employing nearly 3,000 people. Following the transaction, Wienerberger would expand its production footprint by 29 sites. The acquisition of the Terreal businesses, which are on track to generate annual revenues of approx. € 740 million in 2022, would be an important addition to Wienerberger's operations, especially in view of the new French environmental plans regarding the energy efficiency of buildings adopted alongside EU electricity demand reduction regulations. Moreover, Terreal operates state-of-the-art facilities, in particular in France, including the research and development center in Castelnaudary and Germany.

The ideal next step in Wienerberger's value-creating growth strategy

For Wienerberger, the acquisition of Terreal would be complementary to its existing business and would offer unique growth opportunities, especially in the French and German markets, and would enable the company to further strengthen its position as an industry pioneer of innovation and decarbonization.

Commenting on the acquisition, Heimo Scheuch, Chairman of the Managing Board of Wienerberger, says, "Renovating Europe's old housing stock is an essential step to achieve climate neutrality. For Wienerberger, this field of business offers huge growth potential to be tapped in the years to come, especially in the roofing segment, including solar and water-management solutions. The acquisition of Terreal would double our roofing sales to 75 million m² annually and thus constitutes an ideal next step in the implementation of our value-creating growth strategy. With Terreal's highly complementary portfolio, which is a perfect fit for our own product range, we would further enhance

our capacity to provide first-rate solutions, above all in the strategically important markets of France and Germany. At the same time, our position in the renovation and repair sector would improve substantially. Thanks to our shared focus on sustainability, innovative solutions and digital business models, 225,000 tons of CO₂ emission will be reduced by installing our solutions annually. Moreover, we will deliver sustainable synergies by combining our production facilities and technologies and expanding our product range with respect to the pitched roof, including accessories and insulation. By creating the first real European pitched roof expert integrating solar, rainwater and other solutions for the roof, Wienerberger builds a strong platform for further growth.”

Laurent Musy, CEO of the Terreal Group, adds: “In the last years, Terreal has implemented a successful strategy of sustainable growth, owing to the dedication of our teams, and the support of our customers, communities and shareholders, all of whom I want to thank. The successful acquisition and integration of Creaton in Germany and Eastern Europe has been a very positive highlight. At a time of unprecedented challenges associated with high energy prices and ever more urgent needs for the decarbonization of our industry and building in general, joining forces with Wienerberger would allow us to accelerate our existing roadmap thanks to best practice sharing, investment, innovation and digitalization. Wienerberger is a highly reputable European company with deep expertise in the clay roof tile and brick industry worldwide. It would clearly benefit from the complementarity of our industrial footprint and from the addition of Terreal’s / Creaton’s brands, assets and capabilities, notably in France and Germany, in pitched roof solutions and solar. Wienerberger has an ambitious industrial and commercial project that will ensure the sustainable growth of our activities. Our very successful colleagues in Austria, Poland and Hungary, would remain under the ownership of our existing shareholders. We would continue to support them in the transition phase.”

By acquiring Terreal, Wienerberger would be taking its biggest step so far within the framework of its value-creating growth strategy, which is based on ambitious ESG criteria and focuses on the development of sustainable products and solutions. To this end, the company has completely repositioned itself strategically over the past ten years and evolved into a full-range provider of energy-efficient renovation, new-build and water management solutions. This combination of innovative products, engineering know-how, and partnership-based distribution models integrated all over Europe strengthens Wienerberger’s commercial network and, at the same time, accelerates the company’s pursuit of its ambitious environmental targets.

About Terreal

Founded more than 150 years ago, Terreal is a company headquartered in France with international operations specializing in roof, solar, wall, and façade products, selling well-known brands including Creaton, San Marco, Ludowici and GSE Intégration. Alongside applications in the construction of new buildings, Terreal’s broad range of innovative and sustainable solutions is primarily designed for the renovation market.

Transaction details

Completion is targeted to occur over the course of 2023 and remains subject to the approval by the competition authorities and satisfaction of other conditions typical for a transaction of this nature. The transaction consideration will be financed by cash-on-hand, bank loans and Wienerberger Treasury stock, allowing Wienerberger to maintain its strong balance sheet and liquidity position. For the time being and until final approval of the competition antitrust authorities Terreal will continue to operate its business completely separately.

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 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 216 production sites, the Wienerberger Group generated revenues of € 4.0 billion and EBITDA LFL of € 671 million in 2021.

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