

# JOINING FORCES

wienerberger to expand its roofing business in France, Germany, Italy & North America  
through the acquisition of roof & solar solutions provider Terreal

20 December 2022



## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

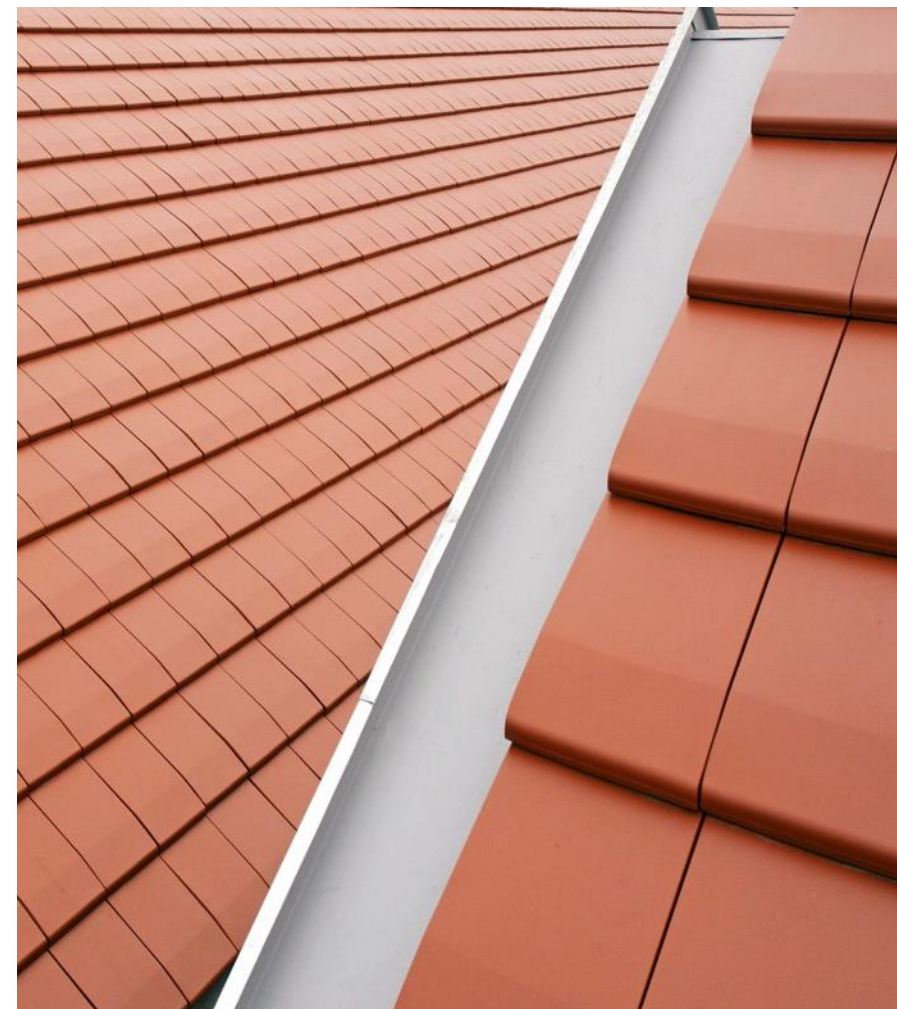
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# AGENDA

## › TRANSACTION HIGHLIGHTS

- › TERREAL: A KEY EUROPEAN PROVIDER OF ROOFING AND SOLAR SOLUTIONS
- › UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER
- › PROCESS, NEXT STEPS & SUMMARY





# TRANSACTION HIGHLIGHTS

## WIENERBERGER BUILDING EUROPE'S FIRST TRUE PITCHED ROOF EXPERT

- › **Wienerberger intends to acquire a significant part of Terreal Group**, a leading European supplier of innovative roof and solar solutions
- › **Transformational growth opportunity:** enhancing Wienerberger's presence in the largest & growing roofing markets in Europe - France and Germany - both of which have attractive renovation potential
- › **Complements Wienerberger's existing portfolio** of roofing and rainwater management with additional roofing and solar solutions
- › **Immediately accretive to EPS in first year after closing**
- › **Scope of the transaction** includes the businesses of Terreal in France, Italy, Spain and the USA, and the German business of Creaton
- › The Creaton businesses in Austria, Hungary and Poland remain with the existing shareholders
- › Closing subject to works council consultation process and regulatory approvals, expected by end of 2023

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## TRANSACTION FINANCIALS

- › Enterprise Value            **€ ~600 mn <sup>1)</sup>**
- › Revenues 2022e            **€ 740 mn**
- › Run-rate EBITDA 2022e    **€ ~100 mn**
- › **EV/EBITDA multiple**        **6.0x**
- › Target EBITDA in 2026      **€ 150 mn**
- › **EV/EBITDA multiple**        **4.0x**

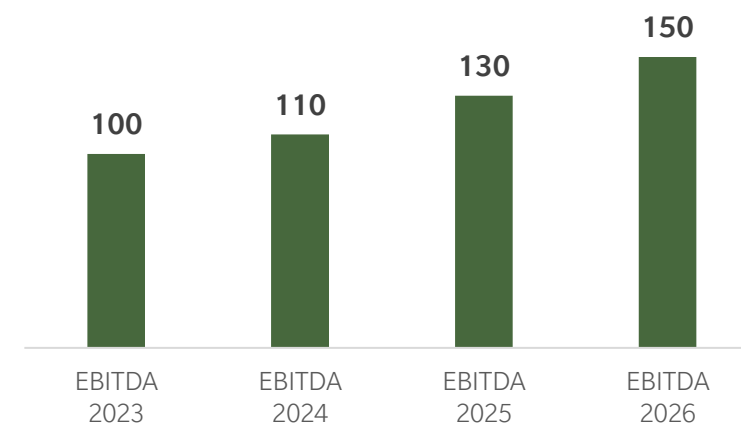
## HIGHLY EBITDA ACCRETIVE TRANSACTION

### WIENERBERGER LEVERS FOR ENHANCING EBITDA TO € 150 mn by 2026

#### › Operational Excellence

- › Product portfolio optimization
- › Technology transformation
- › Improvement in energy cost

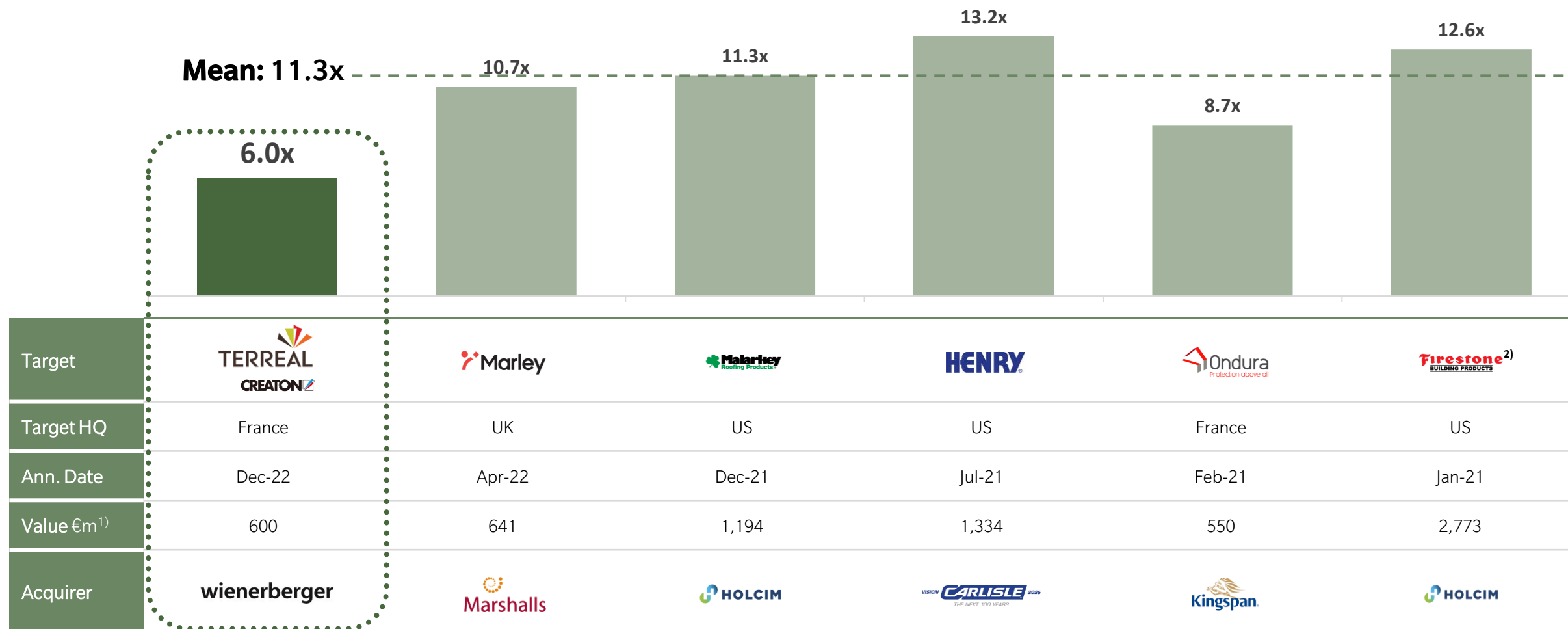
- › **Cross-selling opportunities** through marketing of entire roof systems



1) The Enterprise Value will be subject to customary adjustments at closing and potential remedies imposed by antitrust authorities.

## HIGHLY ATTRACTIVE TRANSFORMATIONAL TRANSACTION

EV / EBITDA Multiples before synergies disclosed at announcement



Sources: Press Releases, Mergermarket

Note: Multiples disclosed at announcement are based on reference EBITDA which may not be comparable on a like-for-like basis

1) Disclosed Enterprise Value, converted using FX rate as of announcement date

2) Since rebranded to Elevate

## TRANSACTION FINANCIALS

## TRANSACTION FINANCING

- |                             |                         |
|-----------------------------|-------------------------|
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**Upon closing, the transaction will be financed via a combination of:**

- › Existing cash on balance sheet
- › New debt facilities in line with Wienerberger financing costs
- › 6 mn Wienerberger treasury shares valued at € 26 per share

Financing of transaction will not significantly influence strong Wienerberger balance sheet

- |   |      |
|---|------|
| › Net debt / EBITDA 2022e                             | 1.1x |
| › Pro-forma Net debt / EBITDA 2022e after transaction | 1.4x |

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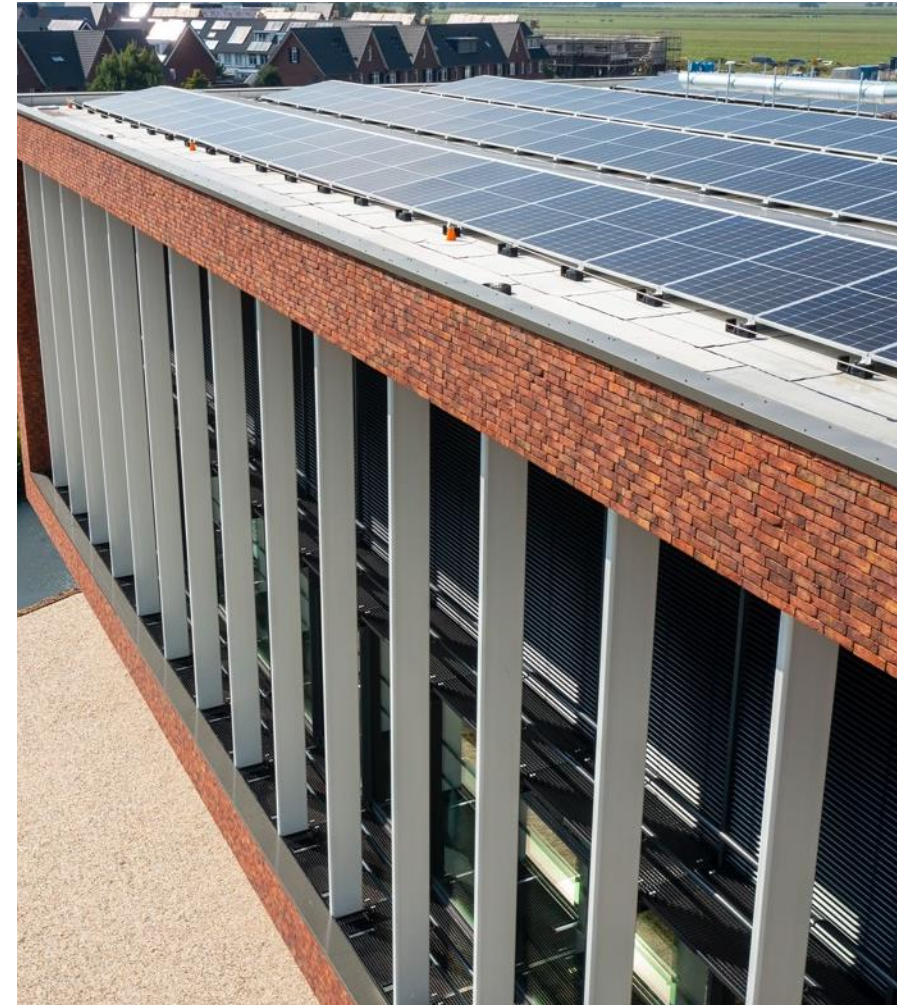
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› **TERREAL: A KEY EUROPEAN PROVIDER  
OF ROOFING AND SOLAR SOLUTIONS**

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› PROCESS, NEXT STEPS & SUMMARY





TERREAL: A KEY EUROPEAN PROVIDER OF ROOFING AND SOLAR SOLUTIONS

# TERREAL GROUP AT A GLANCE

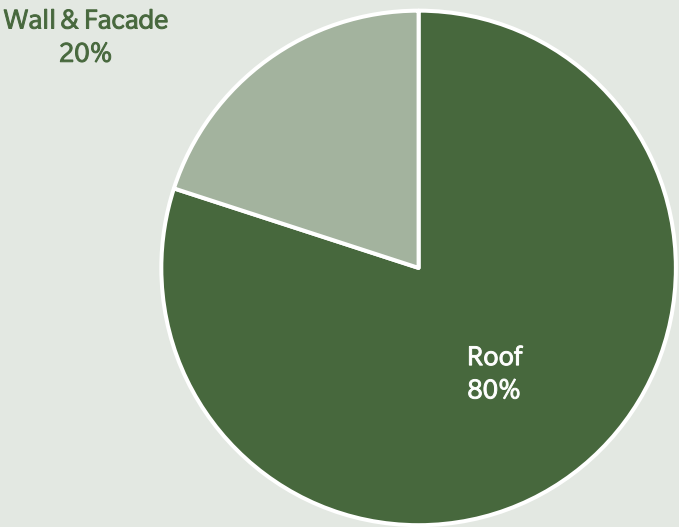
- › Headquartered in France with a strong heritage; founded more than 150 years ago
- › Operating 29 sites in 5 countries, ~3,000 employees
- › **Key player in building materials**, with international operations specializing in roof, solar, wall, and façade
- › Led by an **experienced management team**
- › Utilizing **strong brands** across its core markets



GSE Intégration



## REVENUE SPLIT BY PRODUCT (2022e)



# TERREAL: A KEY EUROPEAN PROVIDER OF ROOFING AND SOLAR SOLUTIONS

## TERREAL GROUP AT A GLANCE

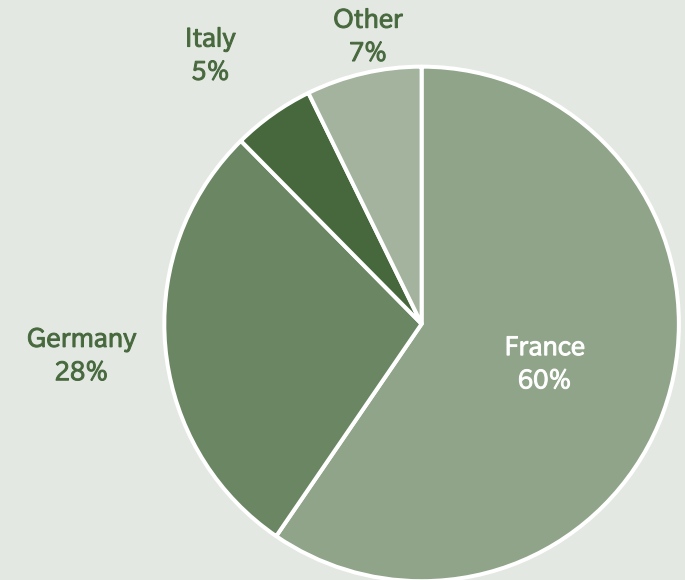
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### REVENUE SPLIT BY GEOGRAPHY (2022e)





UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER

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## IDEAL ADDITION TO EXISTING ROOFING NETWORK IN GERMANY & FRANCE + ENTERING INTO THE ROOFING BUSINESS IN THE USA & ITALY

# NOW

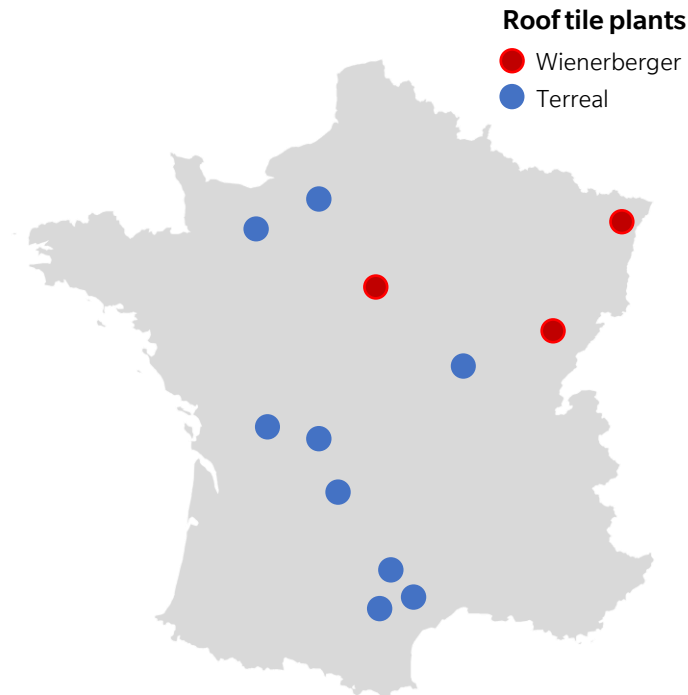
WE NOW HAVE THE UNIQUE  
OPPORTUNITY TO ...

- › **Integrate** Terreal, an established **roofing & solar specialist**, into our portfolio
- › Build a sizeable footprint in the **largest European roofing markets of France & Germany**
- › **Further develop our position** in the attractive **European roofing market**, which will be strongly driven by **renovation**

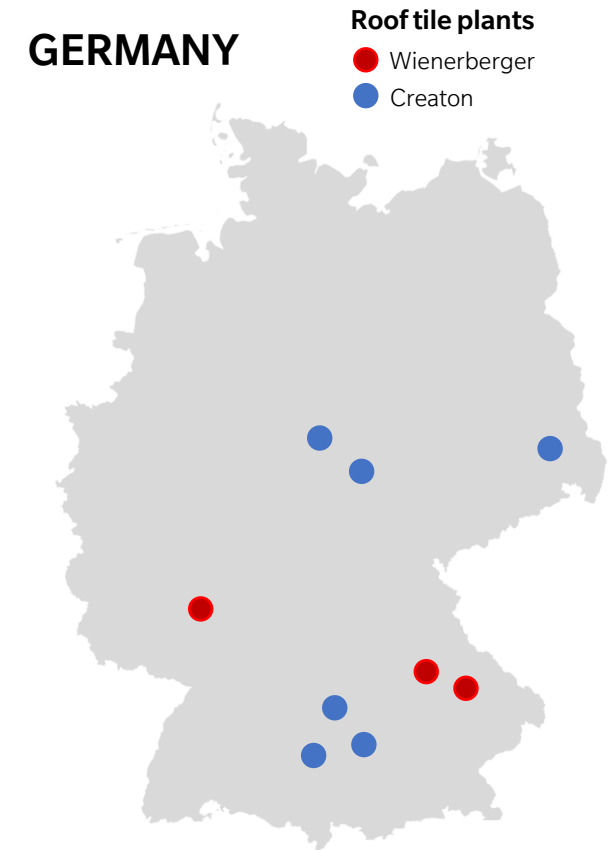
NEW ENTRY INTO THE ROOFING BUSINESS  
IN OUR CORE MARKETS

- › **USA**
- › **Italy**

### FRANCE



### GERMANY



# AGENDA

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## ROOFING AS THE KEY FOCUS FOR RENOVATION

- › Currently, **large amounts of energy are still being lost** through unrenovated roofs
- › **Renovating the roof** plays a major role in **decarbonizing Europe's old housing stock**
- › **Core driver for roof renovation**
  - › tightening regulatory requirements
  - › significant subsidies
  - › rising energy cost
- › Furthermore, roof renovation creates the much-needed **extension of living space**



# THE ROOFING SYSTEM WILL BE THE KEY FOR RENOVATION



## ENERGY EFFICIENCY

Growing importance as energy costs rise

- › Decarbonisation is a key focus of renovation incentives
- › Shift in standards for energy efficiency through the life cycle for new-builds
- › Temperature efficiency also a focus as seasonal variations become more extreme
- › ~30% of energy is lost via the roof
- › Renovation of Europe's very old housing stock is a necessity to improve the overall energy performance of a building



## SOLAR SOLUTIONS

The next frontier for the future-proofed home

- › EU Green Deal, national requirements, targeted subsidies and tax incentives provide a regulatory platform for solar installation
- › Increased focus on alternative energy sources to reduce dependence on fossil fuels

### FRANCE

**€30.5bn**

subsidy scheme to support renewable energy production until 2026

### GERMANY

Targeting

**>80%**

of gross electricity consumption from renewables by 2030

### EU

EU Green Deal targets no net emissions of greenhouse gases by 2050



## GERMANY & FRANCE AS LONG-TERM KEY GROWTH MARKETS FOR RENOVATION

- › Resilient Residential Renovation & Repair Market  
*'Through the Cycle'* Despite Economic Uncertainty
- › Ageing Housing Stock to Drive Long-Term Renovation Growth
- › New Housing Market in Structural Undersupply

### France

**66%**

Housing stock built pre-1980

**+390k units p.a.**

Estimated new housing starts for 2023-25

Strong growth expected in Single Family Homes

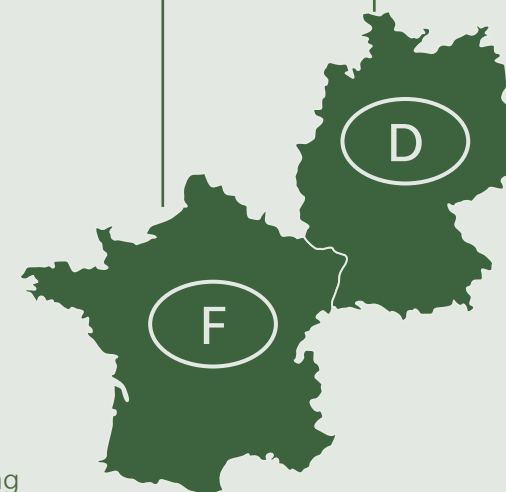
### Germany

**71%**

Housing stock built pre-1980

**+400k units p.a.**

Government new housing target in addition to existing backlog of permits



**Residential renovation is Terreal's core end market**

# UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER

## COMBINING FORCES

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### Combining Wienerberger + Terreal

- › Doubling roofing sales to  
>75 million m2 annually
- › Shared focus on sustainability and  
innovative solutions:  
**Annual reduction of 225,000 tonnes of  
CO2 emissions** by installing our solutions
- › **Cost savings** within the next 3 years:  
**€ 20 mn** by implementing Operational  
Excellence measures (e.g. reducing energy  
consumption and scale effects from  
purchasing)





UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER

## CREATING EUROPE'S FIRST TRUE PITCHED ROOF EXPERT OFFERING STRONG POTENTIAL FOR ORGANIC GROWTH

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- › **Annual combined roof tile sales of >75 million m<sup>2</sup>**
- › Modern and highly efficient industrial network throughout Europe with 60 sites
- › **Strong brands** and local digital business model

Due to the **integration of Terreal**, this **future platform will generate additional EBITDA** within the next 3 years coming from:

- › Fully digital business model, complete logistics network and strong product & design competence  
**EBITDA contribution: € 20 mn**
- › Cross-selling and additional sales in accessories including insulation as a system solution for the whole roof  
**EBITDA contribution: € 10mn**





## UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER FOLLOWING OUR CLEAR VISION

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This acquisition follows Wienerberger's clear vision to

- › strengthen its position **as a leading international full-service provider of smart solutions**
- › for the **entire building envelope and for infrastructure,**
- › expanding our product range with respect to the pitched roof, including solar, accessories and insulation.



UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER  
**FOLLOWING OUR CLEAR VISION**

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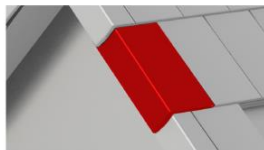
UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER  
**FOLLOWING OUR CLEAR VISION**

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**WIENERBERGER**  
INHOUSE PRODUCTION



Roof tile



Accessories





UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER

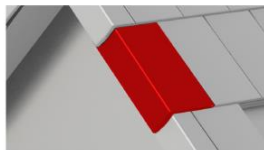
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# WIENERBERGER & TERREAL TOGETHER COVERING >75 mn m2 OF PITCHED ROOF ANNUALLY

## WIENERBERGER INHOUSE PRODUCTION



Roof tile



Accessories



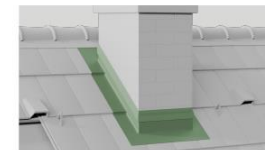
## TERREAL INHOUSE PRODUCTION



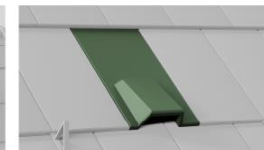
Underlays



Solar module



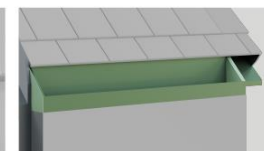
Flashings



Ventilation

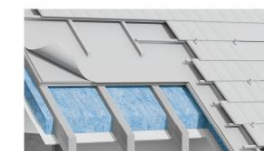


Snow hooks



Gutters

## POTENTIAL FOR FURTHER INTEGRATION



Insulation

UNIQUE COMBINATION OPPORTUNITY FOR WIENERBERGER

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# WIENERBERGER & TERREAL TOGETHER COVERING >75 mn m2 OF ROOF ANNUALLY





# JOINING FORCES

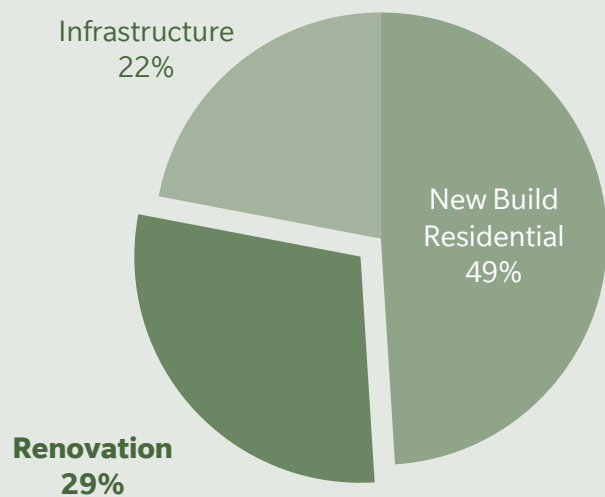
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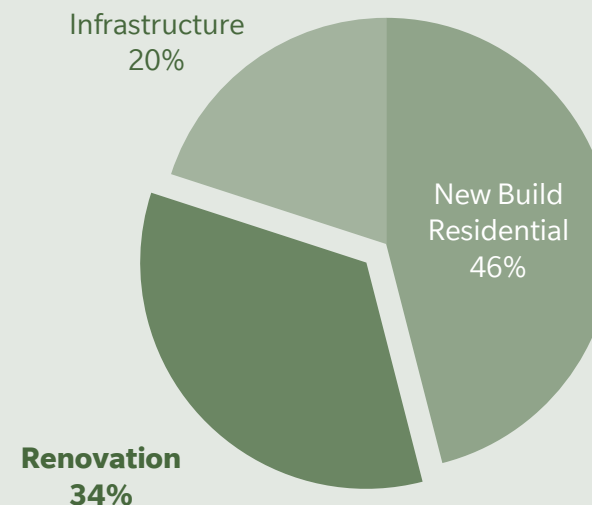


## SIGNIFICANT EXPANSION OF THE GROWING AND RESILIENT RENOVATION EXPOSURE TO 34% OF REVENUES

WIENERBERGER 2022e



WIENERBERGER + TERREAL 2022e



COMBINATION FULLY IN LINE WITH OUR VALUE-CREATING GROWTH STRATEGY

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## INDICATIVE TIMELINE TO CLOSING

- › **Today:** Signing of put option agreement  
Filing with anti trust authorities
- › **Q1 2023:** Completion of French Works Council consultation process & signing of SPA
- › **Q4 2023  
/ Q1 2024** Completion of regulatory approval process
- › **Closing:** Expected end of calendar year 2023 / beginning 2024



## HIGHLY VALUE ACCRETIVE TRANSACTION

1. Immediately accretive to EPS in first year after closing
2. Highly attractive EV/EBITDA multiple of 4.0x after synergies
3. Wienerberger's healthy balance sheet allows easy financing of the transaction



# Q&A

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