

wienerberger: Q3-results beat expectations

Highlights

- › Strong results demonstrate the successful strategic orientation with a focus on innovation and sustainability
- › Revenues in a total of € 3,286 million, operating EBITDA of € 665 million
- › wienerberger outperforms its end markets in the third quarter and exceeds analysts' estimates

Outlook 2023

- › EBITDA guidance for 2023 confirmed at € 800-820 million
- › Focus on innovation, proactive cost management and portfolio optimization

Vienna, November 9, 2023 – Operating in a persistently challenging macroeconomic environment, wienerberger successfully held its ground in the third quarter of 2023, sustaining the good performance of the first two quarters. Compared to the record-breaking year of 2022, the company generated strong results, especially in view of the decline in demand in all relevant end markets, with third-quarter revenues at group level of € 3,286 million (Q3 2022: € 3,848 million) and operating EBITDA of € 665 million (Q3 2022: € 820 million). The continuation of the established self-help program aimed at earnings growth and efficiency enhancements contributed a satisfactory amount to earnings. These solid results once more demonstrate the resilience of the sustainable and diversified business model.

“With a clear focus on proactive cost management, innovation and ecological solutions for new build, renovation as well as water and energy management, wienerberger was once again able to successfully maintain its position in the third quarter and is even better prepared for future challenges and opportunities. Focusing on the core environmental topics of decarbonization, the circular economy and biodiversity, solutions developed by wienerberger provide the necessary tools for affordable and sustainable construction and renovation. Against this backdrop, we look to the future with optimism and confirm our 2023 EBITDA targets”, says Heimo Scheuch, Chairman of the Managing Board of Wienerberger AG.

Performance of the Segments

Europe West: In the first three quarters of the year, external revenues amounted to € 1,706 million (2022: € 1,923 million). Operating EBITDA came to € 319 million (2022: € 328 million).

In the new construction segment, the decline in demand continued in the third quarter due to a lack of affordability as a result of the high level of interest rates and inflation in previous quarters. wienerberger also recorded a slight decline in the renovation segment. The flattening curve in the infrastructure segment in the second quarter continued in the third quarter and the cost-cutting measures introduced and the steady expansion of the portfolio led to continued good profitability in this segment.

Europe East: During the first nine months of the business year, external revenues totaled € 934 million (2022: € 1,187 million). Operating EBITDA amounted to € 178 million (2022: € 311 million) in the first three quarters of 2023.

The third quarter of 2023 showed a differentiated picture in the various countries: Although continued high interest rates and high inflation slowed demand in the region, there were signs of a slowdown in the downward trend. Due to the persistently high demand for housing, measures were taken in individual countries such as the Czech Republic and Poland to support the construction sector. The countries in south-eastern Europe were able to increase sales and earnings in both the construction and pipe business compared to the same period of the previous year.

North America: For the first three quarters of the reporting period, wienerberger recorded external revenues of € 646 million (2022: € 737 million) and operating EBITDA of € 168 million (2022: € 181 million).

As interest rates were raised again in the third quarter, demand cooled further, especially in the brick business. This development was particularly noticeable in the Southeast, while demand in Texas and Canada initially developed better than expected. However, this trend slowed towards the end of the third quarter. In the pipe business, wienerberger recorded an increase in infrastructure projects throughout the USA.

2023 Outlook

Based on developments seen to date, wienerberger expects the market environment to remain as challenging in the last three months of 2023 as it was during the first three quarters. Demand in the North American market is projected to remain stable, albeit at a lower level, whereas a further downturn in Western Europe and increasing stabilization in Eastern Europe are anticipated. With its constant focus on innovative ecological solutions, the further enlargement of the product portfolio, and its value-accretive growth strategy, wienerberger will continue to hold its own in the future. Given its strong position and its proven resilience, combined with profitability-increasing measures, the company is confident of delivering a very solid performance in the 2023 business year and once more confirms its operating EBITDA target of € 800-820 million.

With the intention to acquire significant parts of the Terreal Group, wienerberger announced the biggest step in its value-creating growth strategy in December 2022. Up to now wienerberger has received all regulatory approvals without material remedies and is now awaiting approval of the secondary transaction by the antitrust authorities. The closing of the transaction is expected to take place at the year-end 2023 or beginning of 2024. Earnings contributions from the Terreal Group are not included.

For the complete report on the third quarter of 2023, please visit <https://www.wienerberger.com/en>

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wienerberger is a leading international provider of innovative, ecological solutions for the entire building envelope, in the fields of new buildings and renovations, as well as infrastructure in water and energy management. With more than 19,000 employees worldwide, wienerberger's solutions enable energy-efficient, healthy, climate-friendly, and affordable living. wienerberger is the world's largest producer of bricks and the market leader in clay roof tiles in Europe as well as concrete pavers in Eastern Europe. In pipe systems (ceramic and 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 more than 200 production sites, wienerberger generated revenues of approx. € 5.0 billion and EBITDA of € 1 billion in 2022.

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