

Full-year results 2023: wienerberger outperforms its end markets and meets expectations

Highlights 2023

- › Total Revenues of € 4.2 billion, operating EBITDA of € 811 million
- › Strong results, due to increased exposure to infrastructure (piping business for energy and water management) and renovation business, demonstrating resilience and successful strategic orientation
- › Proposed dividend of € 0.90 per share for 2023

Strategy and outlook 2024

- › Focus on sustainable growth, portfolio optimization and profitability
- › Swift expansion of business activities in the renovation segment as the leading European pitched roof expert for innovative roof and solar solutions following Terreal acquisition
- › Ongoing improvement of ESG performance with Sustainability Program 2026

Vienna, February 21, 2024 – wienerberger performed extremely well in the challenging market environment in 2023, meeting its expectations, outperformed its markets and, following the record year 2022, generated an operative EBITDA of € 811 million and revenues of € 4.2 billion. This strong outcome was primarily achieved as a result of increased activities in infrastructure (piping business for energy and water management applications) and in the renovation segment. However, the new build segment, particularly in Europe, recorded some sharp declines due to significantly higher interest and inflation rates. North America, on the other hand, proved to be more resilient and made a solid contribution to earnings.

In light of the challenging market environment at the start of the year, the company intervened very quickly in the entire cost management process, contributing to the strong results. The established self-help program, aimed to increase earnings and improve efficiencies, also contributed € 46 million to the results. At the same time, technology optimizations were implemented that have led to a reduction in the company's energy consumption and thus, in addition to cost savings, to a reduction in CO₂ emissions. These solid results once more demonstrate the resilience of wienerberger's sustainable and diversified business model, which has the necessary strength to successfully hold its own in difficult market environments.

„In 2023 wienerberger once again outperformed its markets and successfully maintained its position generating an operating EBITDA of € 811 million, which is in line with our expectations. In terms of resilience, we have focused on a balanced portfolio by expanding the renovation and infrastructure segments. Also, our proactive cost management, innovation, and broad diversification in ecological new build, energy-efficient renovation as well as water and energy management are paying dividends. By enabling affordable housing, continuously improving people's quality of life and proactively responding

to the challenges of climate change and its effects, wienerberger is becoming part of the solution and even more sustainable and successful," says Heimo Scheuch, CEO of Wienerberger AG.

Performance of the Segments

Europe West: In 2023, external revenues amounted to € 2.2 billion (2022: € 2.5 billion) and operating EBITDA came to € 378 million (2022: € 426 million).

The 2023 financial year was characterized by persistently high inflation and rising interest rates. Demand fell in the new build segment, especially in Germany, while France, Belgium and the Netherlands still recorded good demand in the first half of the year. In the infrastructure segment, there were inflation-related declines in public contracts in almost all countries. However, the increased share of the wastewater systems business and profitable growth in the renovation segment had a positive effect on the performance. With the acquisition of the Danish Strøjer Group in the second quarter and Komproment ApS in the first quarter, wienerberger further expanded its sustainable range of innovative façade solutions and thus its market share in the Nordic countries. The acquisition of Wideco Sweden, which was also completed in the second quarter, expands energy and water management solutions in Scandinavia. All acquisitions made a favorable contribution to earnings in the second half of the year and will continue to do so into 2024.

Europe East: In 2023, external revenues amounted to € 1.2 billion (2022: € 1.5 billion) and operating EBITDA came to € 220 million (2022: € 372 million).

Eastern Europe saw signs of a decline in inflation and interest rates from the second half of the year onwards. The continued significant reduction in the real purchasing power of the public sector and private households had a negative impact on wienerberger's end markets, with new build being particularly affected. The markets in south-eastern Europe were an exception, as both sales and earnings increased. Demand in the infrastructure sector was stable overall, although it was evident that the realization of projects continues to be delayed due to limited budgetary resources in the public sector.

North America: In 2023, external revenues amounted to € 838 million (2022: € 945 million) and operating EBITDA came to € 213 million (2022: € 223 million).

In a sluggish market environment, wienerberger successfully increased market share and the operating EBITDA margin from 23.6% in 2022 to 25.5% in 2023 through proactive cost and price management. The long-term demand for residential space remains high level. Due to high level of interest rates, demand in 2023 was nevertheless subdued, especially in new build. In the infrastructure segment, the company recorded a significant increase in demand in the second half of 2023.

Sustainability as a strategic and operational focus for business development

Sustainability has always been an integral part of wienerberger's corporate strategy. Since the 2023 targets have been achieved, they have been renewed and upgraded for 2026. The new three-year wienerberger sustainability program extends the environmental and social topics, leveraging wienerberger's sustainability targets to organic growth, both within internal processes as well as assisting society with products supporting energy efficiency and climate resilience. It provides the right strategic and operational focus for sustainable business development complemented by the areas of revenue from products supporting net zero buildings, water and waste management as well as diversity and inclusion. By the end of 2026, wienerberger will see 75% of its revenue come from building products through the sale of products that support net zero buildings, such as integrated solutions for roofs, outer walls including façades, heating, cooling, and solar power generation.

Dividend and 2024 Outlook

Considering the strong results for 2023 and the company's attractive dividend policy, the Managing Board will propose to the Annual General Meeting that a dividend of € 0.90 per share be distributed for 2023.

By acquiring Terreal, a successful European provider of innovative roof and solar solutions, wienerberger will significantly expand its presence in the growing renovation segment and become the leading European expert for pitched roofs. In total, the transaction includes almost 3,000 employees, 28 production sites and expected annual sales of around € 740 million. wienerberger is confident that the transaction will be completed in the first quarter of 2024. With the preparatory measures already taken in 2023, the company has done everything necessary to ensure the swift and efficient integration of Terreal immediately after closing.

In order to ensure high profitability, wienerberger intends to significantly outperform its markets in 2024 again, building on its innovative and ecological solutions for renovation, infrastructure and new build. The company will also continue to focus on proactive cost management, price over cost and the continuation of the self-help program. Assuming that the market development of the fourth quarter of 2023 will continue in 2024, particularly in the first half of the year, and that the earnings contributions from the Terreal deal will make a positive contribution from the second quarter of 2024 onwards, operating EBITDA of around € 860–890 million for 2024 is expected.

The full 2023 Annual Report will be published on March 25, 2024.

wienerberger

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. € 4.2 billion and an operating EBITDA of € 811 million in 2023.

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