

wienerberger with solid Half-Year performance well-placed for market recovery

Vienna, August 14, 2024 – In the first half of 2024, wienerberger achieved very positive results, meeting all its expectations, being in line with its H1 operating EBITDA guidance and generated consolidated revenues of € 2,213 million (H1 2023: € 2,203 million). A solid Half-Year performance against a backdrop of global political uncertainties with elections being held or forthcoming in several major countries in 2024, contributing to an already challenging housing investment market.

With weaker market demand as a result of interest rates being cut more slowly than expected, the company has continued to manage costs effectively: wienerberger reacted swiftly and achieved an operating EBITDA of € 400 million (H1 2023: € 454 million) by optimizing cost structures further and restructuring in time where necessary and realizing organic growth by innovations in particular in the renovation and infrastructure segments. The ongoing self-help program aimed at earnings growth and efficiency enhancement, which contributed € 46 million to earnings last year, also remains on track.

“wienerberger delivered a solid 2024 Half-Year performance and is well-placed for market recovery in the future. With our sustainable solutions for affordable housing construction, energy-efficient renovation, and water management, we are not only continuously improving people’s quality of life but are also proactively part of the solution when it comes to tackling climate change and its effects”, comments Heimo Scheuch, CEO wienerberger on this result.

The acquisition of Terreal, a key European provider of products for roof repair and renovation also made a significant contribution to earnings. By combining the expertise and product portfolio of both companies, wienerberger became the leading European pitched-roof expert for innovative, all-in roofing and solar solutions as well as solutions for the entire building envelope in Europe and North America. The integration of Terreal into the Group is well underway.

Heimo Scheuch, CEO wienerberger: *“The acquisition of Terreal was the biggest step to date in our value-creating growth strategy, and we have continuously worked on a swift integration. By combining our portfolios, wienerberger positions itself as the European pitched-roof expert capable of integrating solar, rainwater, and additional innovative solutions. This allows us to play a key role in renovating the European building stock and establishes a strong platform for future growth.”*

End Market Development in H1

Globally, the market for renovations has been relatively stable in the first six months of 2024, and the infrastructure sector has even seen a slight increase. For new residential housing, the developments have been more diverse across wienerberger's end markets.

The recovery of new residential housing markets in Eastern Europe has made a strong contribution to wienerberger's results in H1. In addition, end markets in the United Kingdom and Ireland have seen a slight increase in demand and activity. Less positive developments can be observed in Central Western Europe, where the market has likely bottomed out, and in Northern America. In most regions, the rebound of new residential housing markets through public incentive programs has been delayed to 2025. Combined with the global political uncertainty, this has created challenging macroeconomic circumstances in all end markets. But thanks to wienerberger's efficient cost management, its ongoing self-help program and timely restructuring measures in selected markets, a very positive result was achieved.

Shaping the future with innovative strength

Amidst a changing macroeconomic situation, wienerberger holds firm in its commitment to sustainability. Last year, the company had reached the goals of its last three-year sustainability program and set itself extended and more ambitious targets for 2026, particularly with regard to a further reduction in emissions and the promotion of a circular economy. The new sustainability program includes new benchmarks for water and waste management. In addition, wienerberger will generate 75% of its total revenue from building products contributing to net zero buildings by 2026, such as integrated roof solutions, exterior walls and façades, heating and cooling solutions and systems for the use of solar energy. By offering innovative solutions, supported by modern cutting-edge technology, wienerberger is helping to reduce emissions, save natural resources and mitigate the effects of climate change on people and the environment. wienerberger is also committed to promoting diversity and inclusion as part of its new social goals.

Outlook: 2024 and beyond

The initial market assumptions for 2024 were based on the expectation of a recovery in residential housing markets. This has not fully come to pass, caused in part by slower-than-expected interest rate cuts, subduing bank lending. In particular, demand for single-family housing is below expectations. Several national governments in wienerberger's end markets have launched or announced public subsidy programs for their respective construction sectors, but their impact will only be felt next year in most cases. Political uncertainty will remain a negative factor in several major countries and at least until after the presidential elections in the USA.

For the 2024 financial year, the company nevertheless continues to expect a solid performance and operating EBITDA guidance of € 800 – 820 million. Looking beyond the bottom-building year 2024, an overall recovery shift across markets is expected for next year, when governmental stimulus programs will take effect and interest rates are likely to be cut further. For wienerberger, the cost-efficiency measures taken in H1 2024 will still contribute positively to results in 2025 with a full market recovery expected. For 2026, a normalization of the market level is expected.

For the complete report on the first half of 2024, please visit <https://www.wienerberger.com/en.html>.

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wienerberger is a leading international provider of innovative, ecological solutions for the entire building envelope, in the fields of new build and renovation, as well as infrastructure in water and energy management. With more than 20,000 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 and a leading supplier of facade products in North America. At the beginning of 2024, wienerberger successfully completed the acquisition of Terreal, becoming the leading European provider of innovative all-in roofing and solar solutions, as well as solutions for the entire building envelope in Europe and 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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