

# Q1 2023 Trading Update

## 10 May 2023

Dr. Dominik von Achten – Group CEO  
René Aldach – Group CFO

Heidelberg Materials





## Key messages Q1 2023

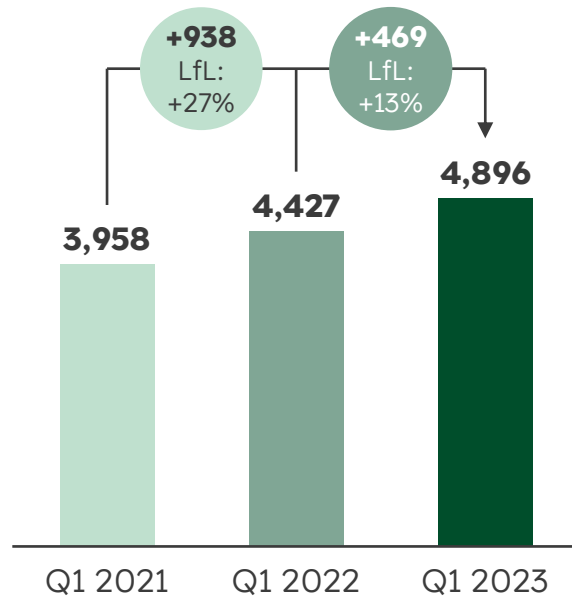
- Good start into 2023 with strong growth in all operational KPIs
- Revenue +13%\*; RCO 168 €m above prior year
- Improving balance between pricing and cost inflation leads to solid RCO growth
- Margin partly recovering towards 2021 level
- Accelerating on sustainable growth through M&A
- CEM business line sustainable revenues reach 37%
- **Outlook 2023 upgraded:**  
RCO between 2.50-2.65 €bn  
(previously: between 2.35-2.65 €bn)

\* LfL, excluding currency and scope impacts

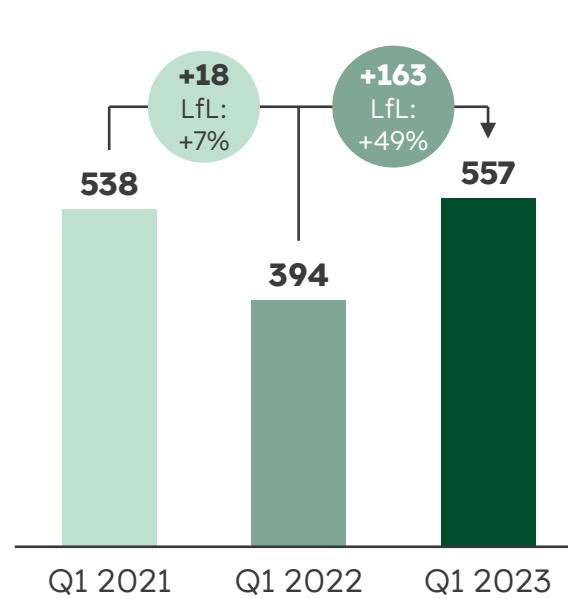


# Q1 operational overview

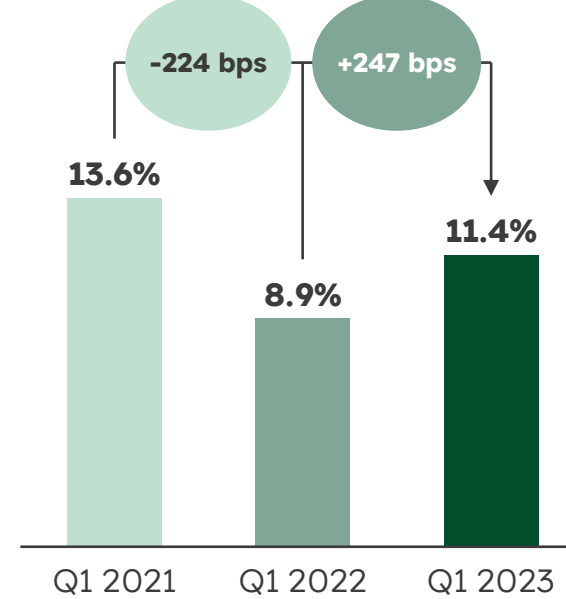
Revenue [€m]



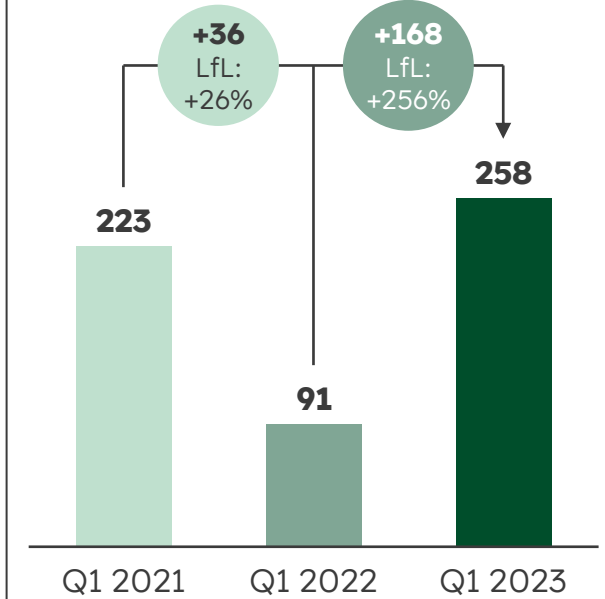
Operating EBITDA [€m]



Operating EBITDA Margin



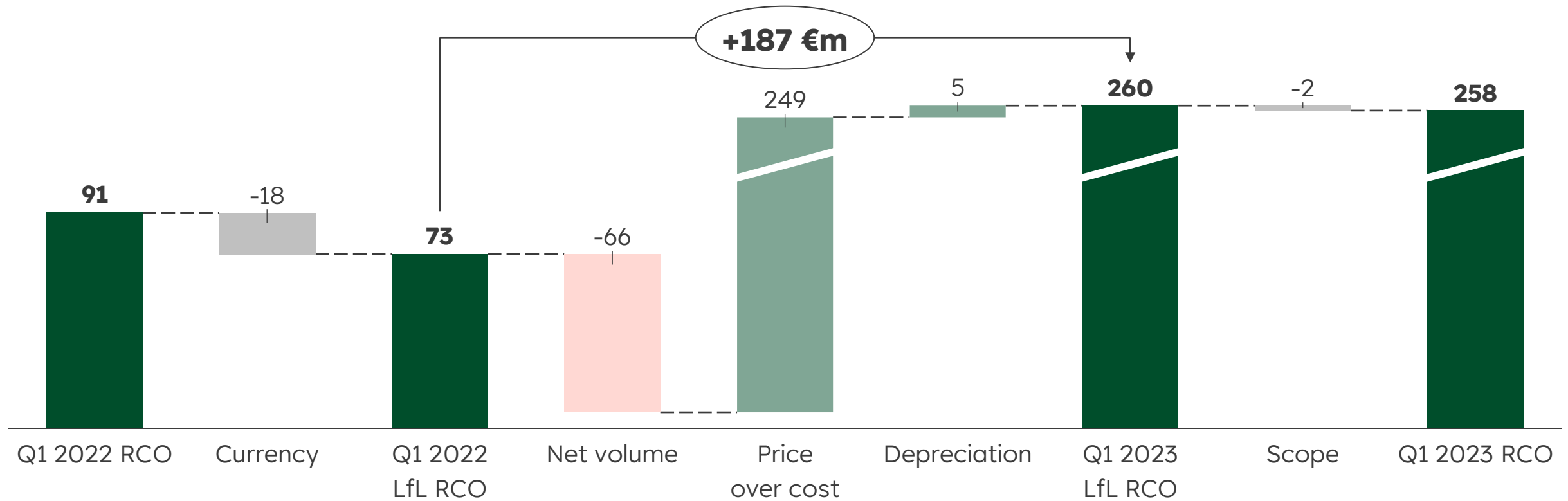
Operating EBIT (RCO) [€m]



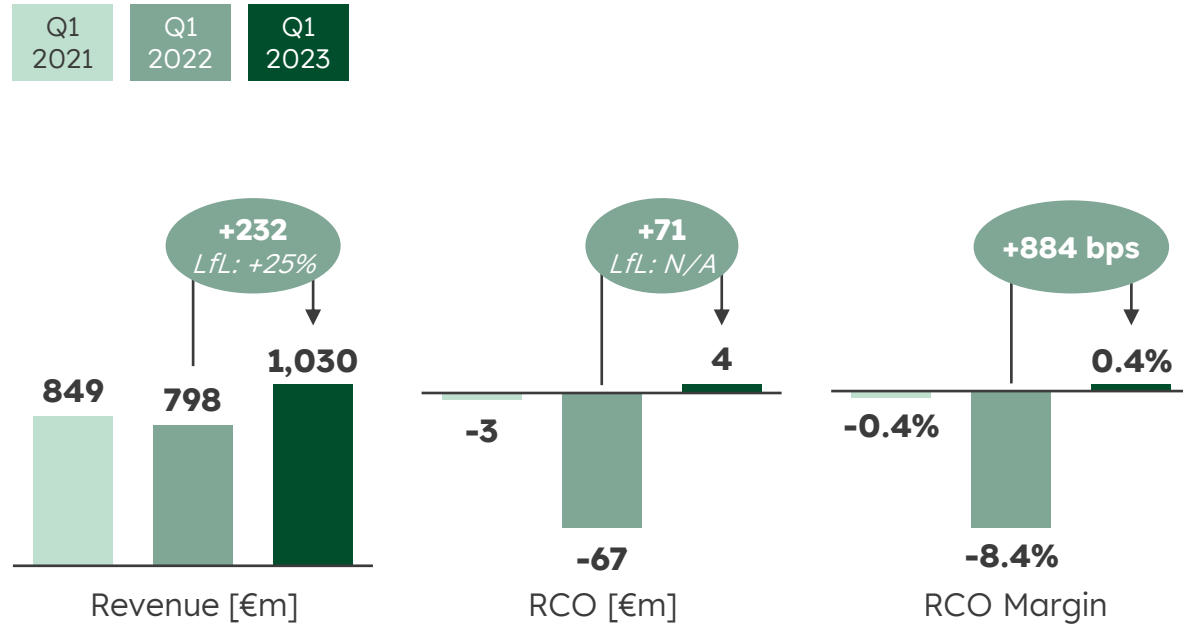
- YoY 2023 vs. 2022
- YoY 2023 vs. 2021



# Q1 Operating EBIT (RCO) bridge [€m]



# North America



- Positive volume development in all business lines
- Solid pricing and demand increase drives revenue growth and positive result development
- Good momentum provides additional opportunities for further price increases
- Orderbooks across all business lines and regions remain healthy



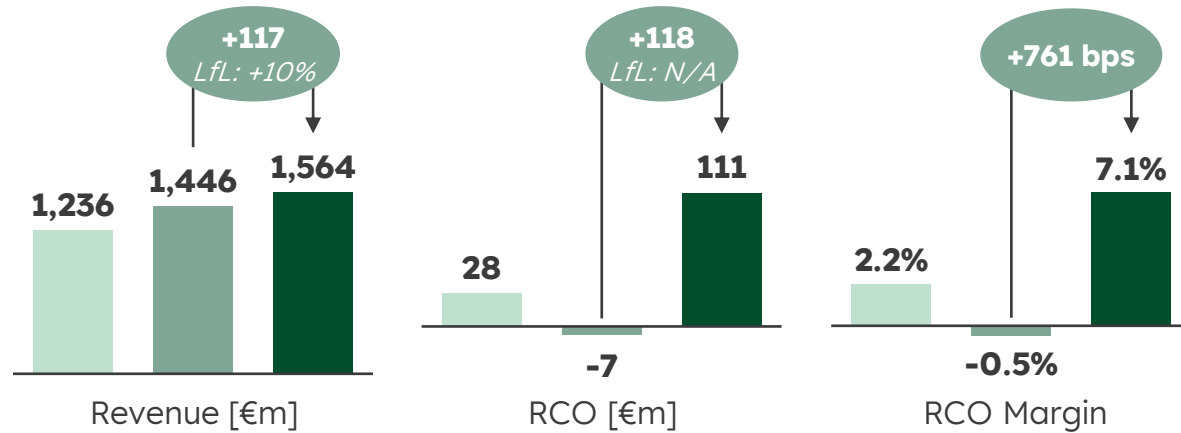
Mitchell Plant, Indiana





# Western & Southern Europe

Q1 2021    Q1 2022    Q1 2023



- Volumes below prior year in all business lines, driven by slow residential sector
- Price over cost continues to be positive in the region; energy costs remain on an elevated level
- All countries contribute positively to result development

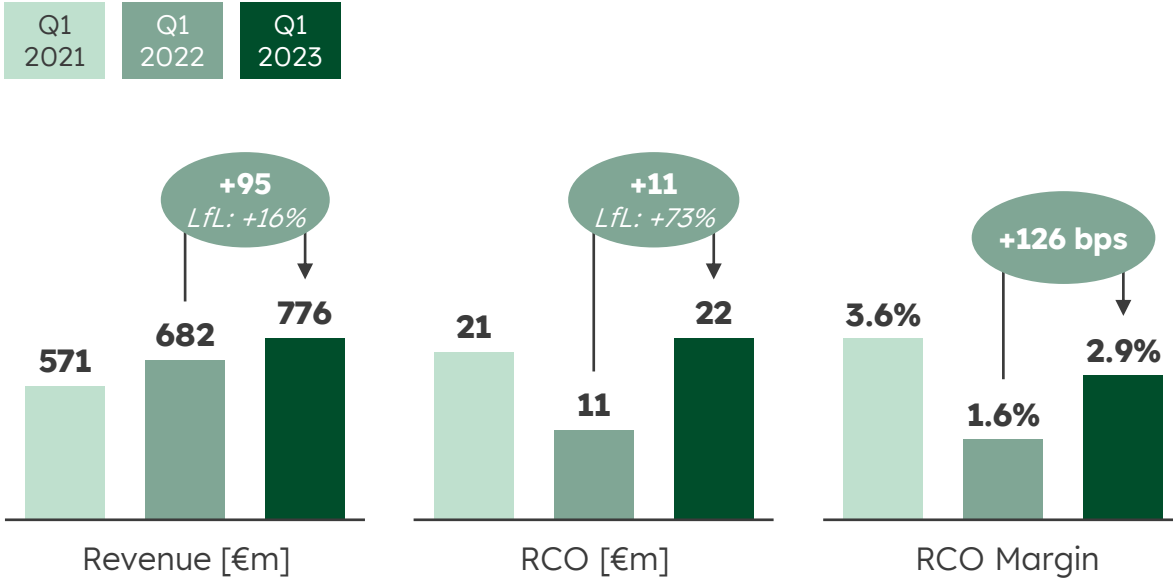


SER Group Recycling, Germany





# Northern & Eastern Europe - Central Asia



- Ongoing lower demand in most countries
- Revenue and RCO improvement driven by combination of good price increases and cost management
- Margin improvement achieved in the quarter despite challenging environment

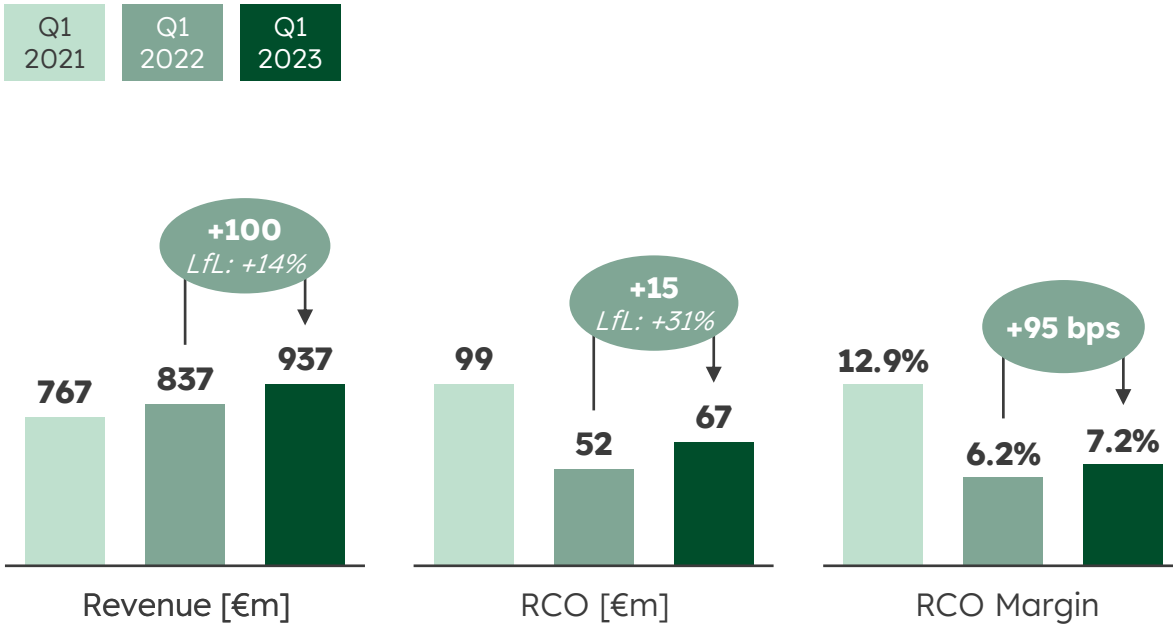


Brevik Plant, Norway





## Asia - Pacific



- Solid increase in region RCO
- Positive price over cost driven by price increases and moderating energy prices
- Australia, Indonesia and Thailand delivering improved results
- Volumes in China and India remain soft

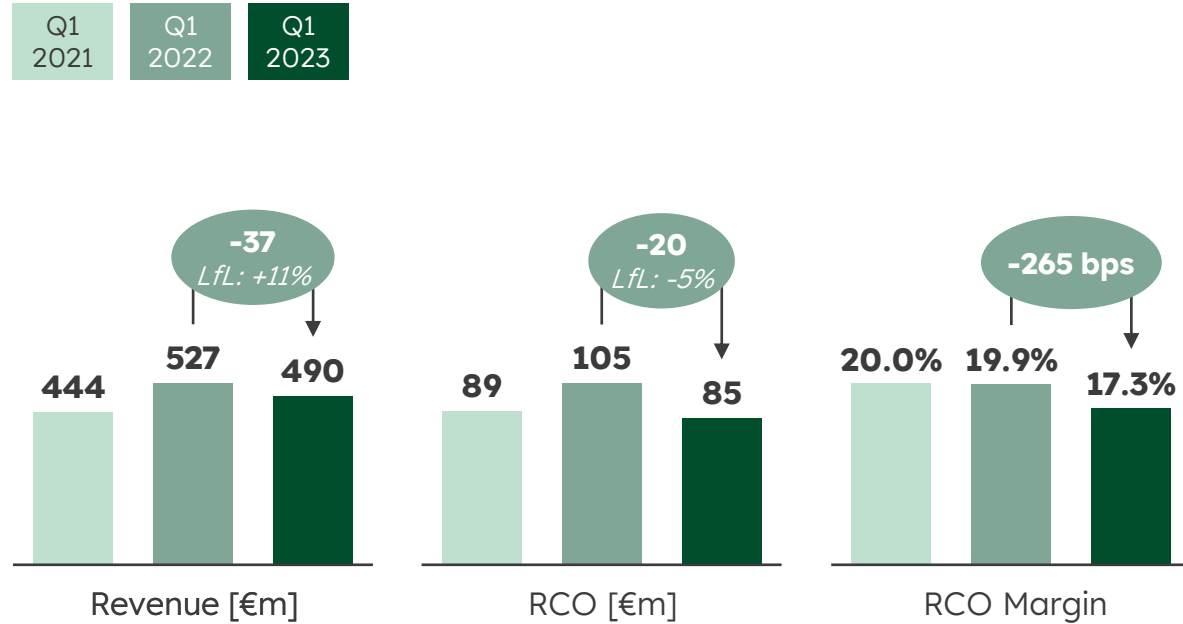


Alex Fraser Group, Australia





# Africa – Eastern Mediterranean Basin



- LfL revenue increases +11%, despite a difficult comparison base driven by very strong demand in prior year
- Challenging high inflation environment and local currency devaluations put pressure on Q1 2023 margin
- Signs of currency stabilization visible in key markets combined with better cost development



Akcansa Buyukcekmece Plant, Turkey



# Sustainability highlights

We are executing on our decarbonization strategy - significant progress on all levels:

- SBTi validated our ambitious 2030 climate targets as compliant with the Paris 1.5°C target
- Several CCUS projects getting closer to their start-up dates: Brevik CCS 2024, Lengfurt CCU 2025, Edmonton CCS 2026, Padeswood CCS 2028, Devnya CCS 2028, Antoining CCS 2028
- Expanding our circularity offering in Germany with the acquisition of SER Group
- Acquiring the SEFA Group, the largest fly ash recycling company in the US
- Exclusive concrete supply for Europe's largest 3D printed building in Heidelberg





## Strengthening SCM\* footprint in the U.S.

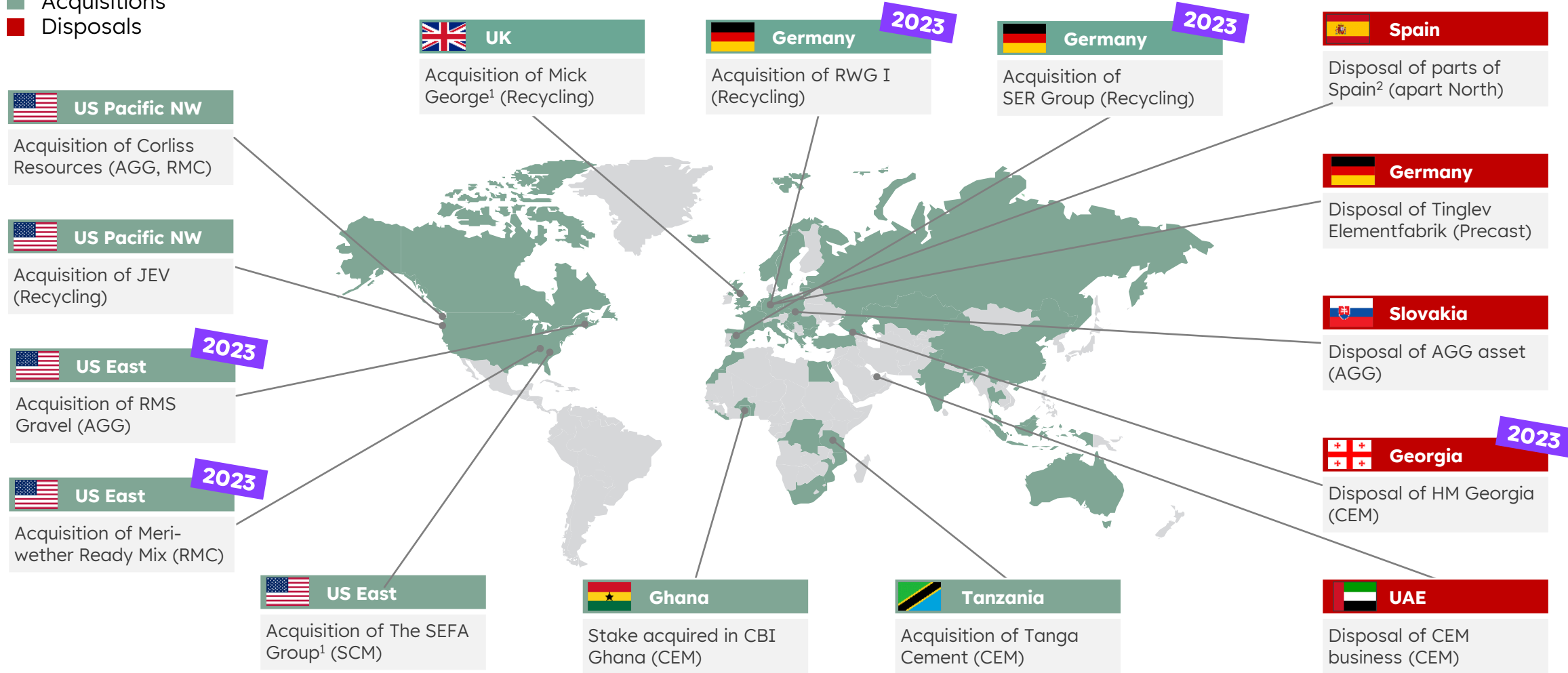
- Agreement to acquire The SEFA Group, Inc., the largest recycler of fly ash for use in concrete products in the U.S.
- Immediate sustainable EBITDA contribution
- The SEFA Group currently supplies quality fly ash to more than 800 concrete plants in 13 states
- Strong opportunity to create a growth platform for SCMs and further roll-out the technology
- Prompt step-change to reduce the company's CO<sub>2</sub> intensity in North America
- Strengthen market position in the US-Southeast region with additional cementitious capacity

\* Supplementary Cementitious Materials



# Portfolio optimization moves towards sustainable growth

■ Acquisitions  
■ Disposals





# Guidance upgraded

## Business outlook 2023



Increase in infrastructure projects and parts of non-residential expected to largely offset slowdown in residential sector



Continuous high focus on pricing and cost management across all markets



Focus on cash generation

## Guidance 2023



LfL revenue growth\*



**RCO between 2.50-2.65 €bn**  
(previously: between 2.35-2.65 €bn)



CapEx Net at around 1.1 €bn



ROIC at around 9%



Leverage between 1.5x to 2.0x

\* Excluding currency and scope impacts



## Key messages Q1 2023

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# Appendix



# Operating result

Operating Result Quarter [€m]	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	Q1 22	Q1 23	Change	LfL	Q1 22	Q1 23	Change	LfL	Q1 22	Q1 23	Change	LfL	Q1 22	Q1 23	Change	LfL
North America	798	1,030	29.1%	24.7%	7	76	973.6%	930.2%	0.9%	7.4%	+651 bps	+646 bps	-67	4	N/A	N/A
West / South Europe	1,446	1,564	8.1%	10.1%	81	197	144.9%	144.8%	5.6%	12.6%	+704 bps	+681 bps	-7	111	N/A	N/A
North / East Europe	682	776	13.9%	15.7%	59	69	16.7%	12.4%	8.7%	8.9%	+21 bps	-26 bps	11	22	103.2%	72.8%
Asia Pacific	837	937	11.9%	14.4%	111	129	16.6%	18.1%	13.2%	13.8%	+55 bps	+43 bps	52	67	29.0%	30.6%
Africa / Med. Basin	527	490	-7.0%	10.7%	132	110	-17.0%	-3.3%	25.1%	22.4%	-270 bps	-323 bps	105	85	-19.4%	-4.6%
Group Service & Other	138	99	-27.8%	-27.8%	4	-25	N/A	N/A	2.8%	-25.1%	N/A	N/A	-3	-31	N/A	N/A
<b>Total GROUP</b>	<b>4,427</b>	<b>4,896</b>	<b>10.6%</b>	<b>13.4%</b>	<b>394</b>	<b>557</b>	<b>41.3%</b>	<b>48.6%</b>	<b>8.9%</b>	<b>11.4%</b>	<b>+247 bps</b>	<b>+270 bps</b>	<b>91</b>	<b>258</b>	<b>184.8%</b>	<b>255.8%</b>

Scope & Currency Q1 2023	Revenue (€m)		EBITDA (€m)		Operating EBIT (RCO) (€m)	
	Scope	Currency	Scope	Currency	Scope	Currency
North America	3	26	1	0	0	-2
West / South Europe	-4	-22	3	-1	2	0
North / East Europe	0	-10	0	2	0	2
Asia Pacific	0	-18	0	-1	0	-1
Africa / Med. Basin	0	-84	0	-19	0	-16
Group Service & Other	0	0	-5	0	-5	0
<b>Total GROUP</b>	<b>-1</b>	<b>-109</b>	<b>-1</b>	<b>-19</b>	<b>-2</b>	<b>-18</b>





# Financial Calendar & IR Contacts

## Upcoming events:

- 11 May 2023: Annual General Meeting
- 27 July 2023: Half Year Results
- 03 November 2023: Q3 Trading Update

## Contacts:

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