

7 May 2024

Heidelberg Materials gets off to a solid start in the 2024 financial year

- Revenue decreases by 8%¹⁾ to €4,488 million after strong prior-year quarter
- Result from current operations (RCO) at €232 million (previous year: €258 million)
- RCOBD margin²⁾ increases to 12.1% (previous year: 11.4) thanks to strict cost management
- Growth path continued: acquisition of ACE Group in Malaysia
- Decarbonisation progresses: funding commitment of up to US\$500 million for CCUS project in Mitchell, Indiana, USA
- Announced share buyback programme to start in Q2 2024
- Outlook for the full year 2024 confirmed

1) Adjusted for scope and exchange rate effects

2) RCOBD margin = result from current operations before depreciation and amortisation as a percentage of revenue

Heidelberg Materials has made a solid start to the 2024 financial year. Poor weather conditions in key regions and a reduced number of working days in the first quarter of 2024 contributed to declining sales volumes. These were partially offset by positive price momentum in individual core markets.

“Despite declining revenues compared to a strong prior-year quarter, we have further increased our profitability. This was in particular due to the very good start to the year in North America and strict cost management,” said Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials. “The good start allows us looking forward confidently to the rest of the year. Against this backdrop, we confirm the outlook for the full year 2024.

Our ambitious decarbonisation roadmap continues to gain momentum. With our two new product brands, evoBuild® and evoZero®, we are taking innovative paths. In the first quarter, we were able to secure substantial funding for our worldwide largest CCUS project in the USA. The many initiatives in all regions are clear evidence of the synergies we leverage in our globally positioned company. I would like to thank the Heidelberg Materials team that is driving these pioneering projects forward with great passion.”

Development of volumes, revenue, and results

Positive price momentum, particularly in North America, partially compensated for the pressure on volumes in the first quarter. Revenue fell by 8% to €4,488 million (previous year: 4,896) compared with the strong prior-year quarter. The result from current operations before depreciation and amortisation (RCOBD) decreased by €14 million or 2.6% to €542 million (previous year: 557). The result from current operations (RCO) decreased by €27 million or 10% to €232 million (previous year: 258). Thanks to strict cost management and lower energy prices, the RCOBD margin increased to 12.1% (previous year: 11.4).

The substantial decline in cement volumes following weak construction demand in Europe due to the current economic environment as well as a stronger alignment of the company's cement portfolio towards low-carbon products, leading to the production of cement with reduced clinker content, results in adjustments to several plants. Clinker production at its Hanover cement plant will cease in the second half of 2024, while a restructuring in France results in the closure of its sites in Beffes (Département Cher) and Villiers-au-Bouin (Département Indre-et-Loire) as of October 2025. The setup and cost structures of the European plants are continuously reviewed regarding their future viability.

Growth path continued

With the recently announced acquisition of the ACE Group, the largest supplier of pulverised fly ash in the growth market of Malaysia, Heidelberg Materials continues its growth path. The acquisition meets the increasing demand for fly ash to reduce the CO₂ intensity of cement and is thus making an important contribution towards achieving net zero emissions in Southeast Asia. The transaction shows how profitable growth and sustainability can be ideally combined.

Setting new standards for sustainable products

Heidelberg Materials has expanded its pioneering role in the field of sustainable products and launched evoBuild®, a new global product brand for CO₂-reduced and circular products. As the first company in the heavy building materials industry, Heidelberg Materials is using globally standardised criteria to label sustainable products.

Heidelberg Materials has launched the world's first CCS-based net-zero cement and concrete under the evoZero® brand. evoZero® is made possible by the world's first industrial-scale carbon capture facility at the Brevik cement plant in Norway. Mechanical completion of the facility is scheduled for the end of the year. The Nobel Center project is one of the first partners to use the innovative building material in the construction of its new building. The new Nobel Center in Stockholm, scheduled for construction in 2027, is intended to be at the forefront of environmental and climate responsibility.

Heidelberg Materials was selected in March for funding of up to US\$500 million to advance industrial-scale carbon capture, utilisation, and storage (CCUS) at its new state-of-the-art cement plant in Mitchell, Indiana, USA. The project, which is funded by the U.S. Department of Energy, is the company's largest CCUS project worldwide and is expected to achieve an annual reduction in emissions of around 2 million tonnes of CO₂ from 2030.

Share buy-back programme starts in the second quarter

In February, the company announced a new share buyback programme with a total volume of up to €1.2 billion. The first tranche is scheduled to start in the second quarter after the 2024 Annual General Meeting of Heidelberg Materials AG. With the significantly expanded share buyback programme and a 15% increase in the proposed dividend to €3.00 per share (previous year: €2.60), the company is underlining its focus on shareholder return.

Optimistic outlook for 2024 confirmed

Heidelberg Materials continues to expect that demand in the construction sector will increasingly stabilise at a low level. Against this backdrop, the company confirms its outlook for the 2024 financial year. Heidelberg Materials anticipates a result from current operations in a corridor of €3.0 billion to €3.3 billion. ROIC is expected to be around 10%.

The Quarterly Statement January to March 2024 with an overview of our financial figures for the first quarter of 2024 can be found on our website www.heidelbergmaterials.com under Investor Relations/Reports and Presentations.

About Heidelberg Materials

Heidelberg Materials is one of the world's largest integrated manufacturers of building materials and solutions with leading market positions in cement, aggregates, and ready-mixed concrete. We are represented in around 50 countries with around 51,000 employees at almost 3,000 locations. At the centre of our actions lies the responsibility for the environment. As the front runner on the path to carbon neutrality and circular economy in the building materials industry, we are working on sustainable building materials and solutions for the future. We enable new opportunities for our customers through digitalisation.

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