

# Q1 2021 Trading Update

5 May 2021

Dr. Dominik von Achten – CEO

Dr. Lorenz Näger – CFO



## Key Messages

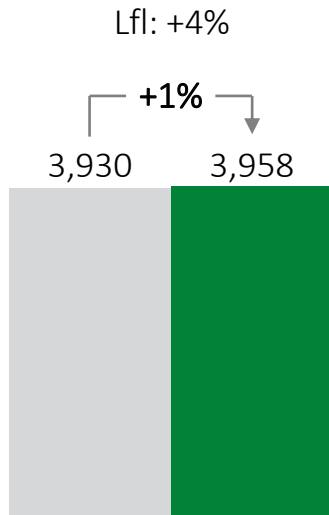
- Sales volumes increase in all business lines and positive pricing lead to +4% LfL revenue growth
- LfL Operating EBITDA (+38%) and LfL Operating EBIT (+295%) growth in the quarter
- EBITDA margins significantly up in all regions
- Next portfolio move: AGG & RMC businesses in Greece are sold; Egypt shareholder structure simplified
- Key goal of Beyond 2020 achieved: Upgraded by both rating agencies S&P (from BBB- to BBB) and Moody's (from Baa3 to Baa2)
- Strong Q1 result reassures full year outlook

HEIDELBERGCEMENT

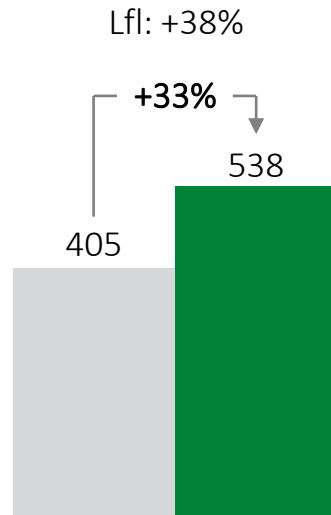


# Strong improvement in all operational metrics

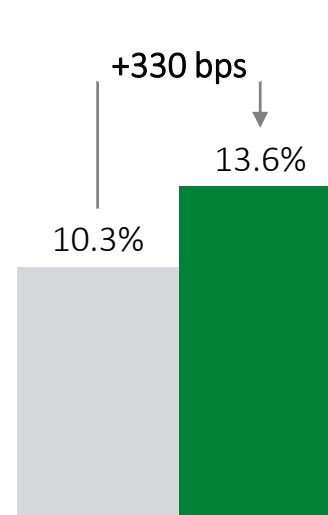
Revenue (m€)



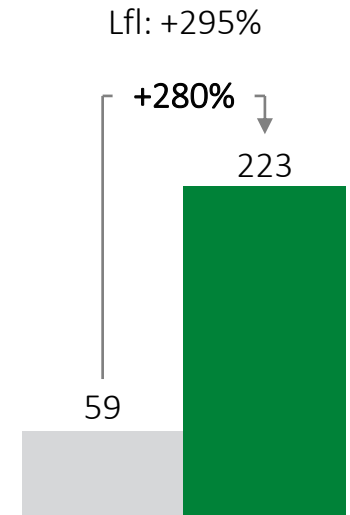
Operating EBITDA (m€)



Operating EBITDA Margin



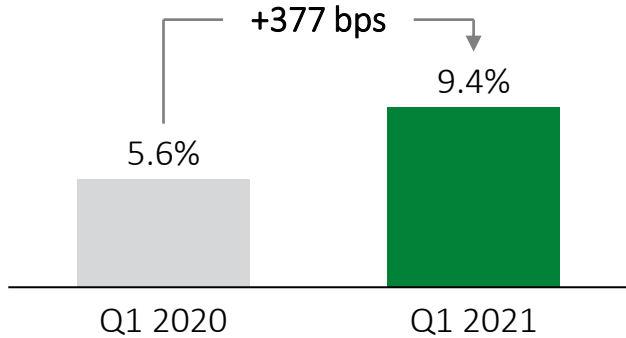
Operating EBIT (RCO) (m€)



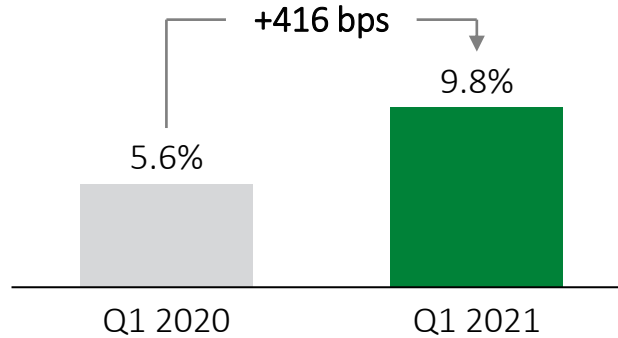
Q1 2020 Q1 2021

# Margins significantly up in all regions

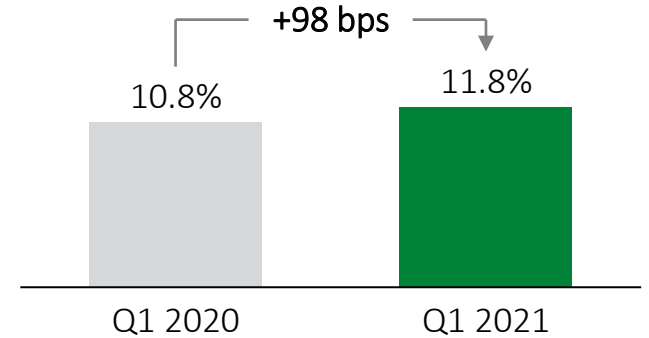
North America



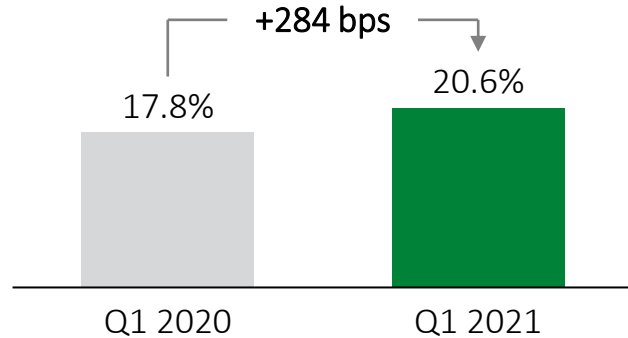
Western & Southern Europe



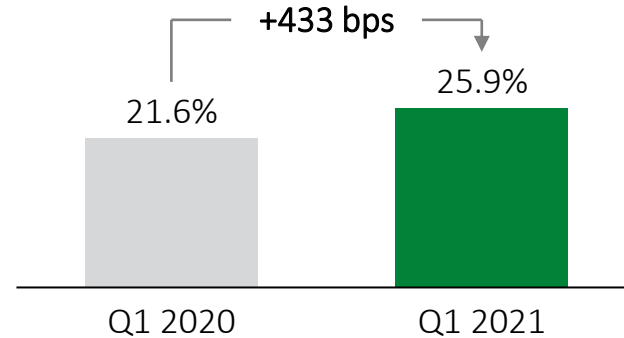
North & Eastern Europe – Central Asia



Asia Pacific



Africa-Eastern Mediterranean Basin



# Operating EBITDA increases strongly in all regions

Volumes	Q1 20	Q1 21	Change	LfL
Cement sales volume (mt)	27.7	28.4	0.7	2.9%
Aggregates sales volume (mt)	60.1	61.3	1.2	2.0%
Ready mix sales volume (mt)	10.7	10.8	0.1	2.5%

Revenue (mEUR)	Q1 20	Q1 21	Change	LfL
North America	920	849	-71	-0.1%
Western & Southern Europe	1,105	1,236	131	12.8%
North & Eastern Europe – C.A.	584	571	-13	-1.2%
Asia Pacific	737	767	30	5.7%
Africa – Eastern Med. Basin	444	444	0	9.3%

Operating EBITDA (mEUR)	Q1 20	Q1 21	Change	LfL
North America	52	80	28	67.3%
Western & Southern Europe	62	121	59	97.1%
North & Eastern Europe – C.A.	63	67	4	9.2%
Asia Pacific	131	158	27	23.4%
Africa – Eastern Med. Basin	96	115	19	27.0%

## North America

- US: EBITDA and margin improvement in all regions despite weather related demand pressure in the quarter
- Canada: Solid pick-up in demand in all business lines

## Europe

- Positive demand and pricing, supported by well-managed costs leads to another record quarter in Western & Southern Europe
- Margin improvement achieved despite a very strong comparison base in North & Eastern Europe

## Asia-Pacific

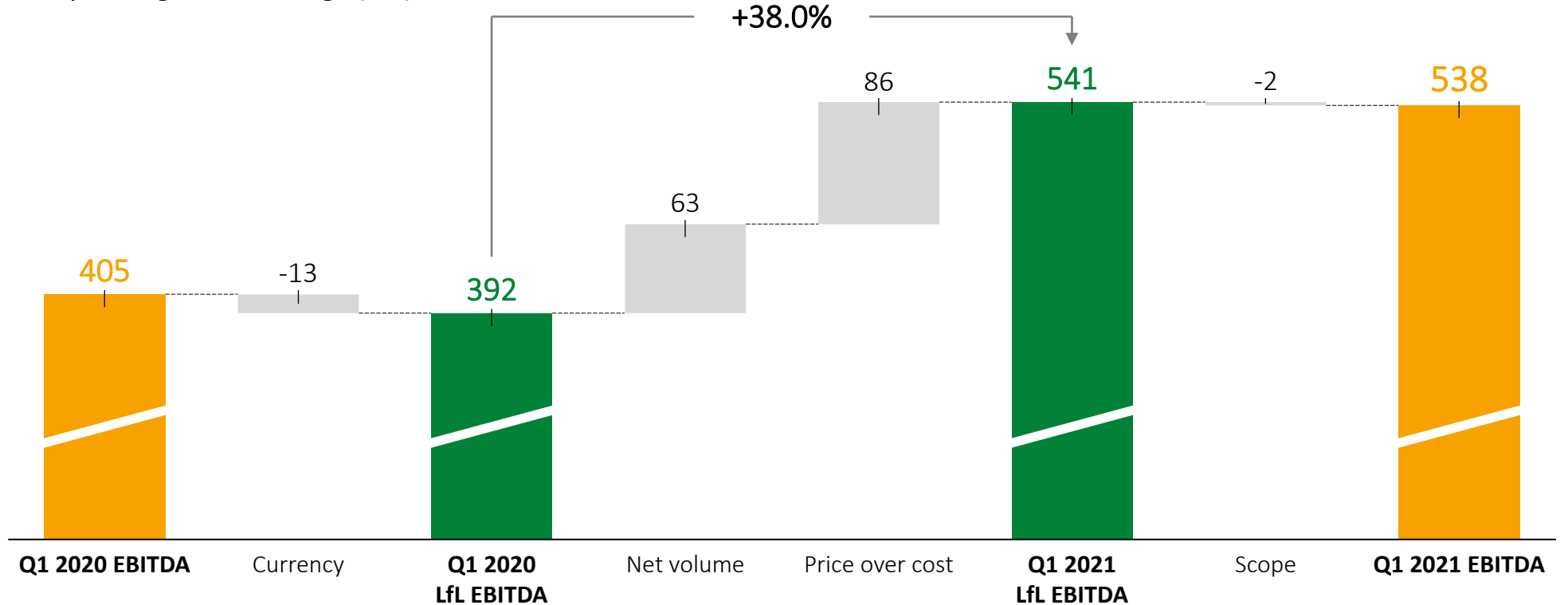
- Solid growth and margin improvement in most countries. Covid-19 related uncertainty still exists.

## Africa – Eastern Mediterranean

- Growth continues driven mainly by Sub-Saharan Africa and Morocco

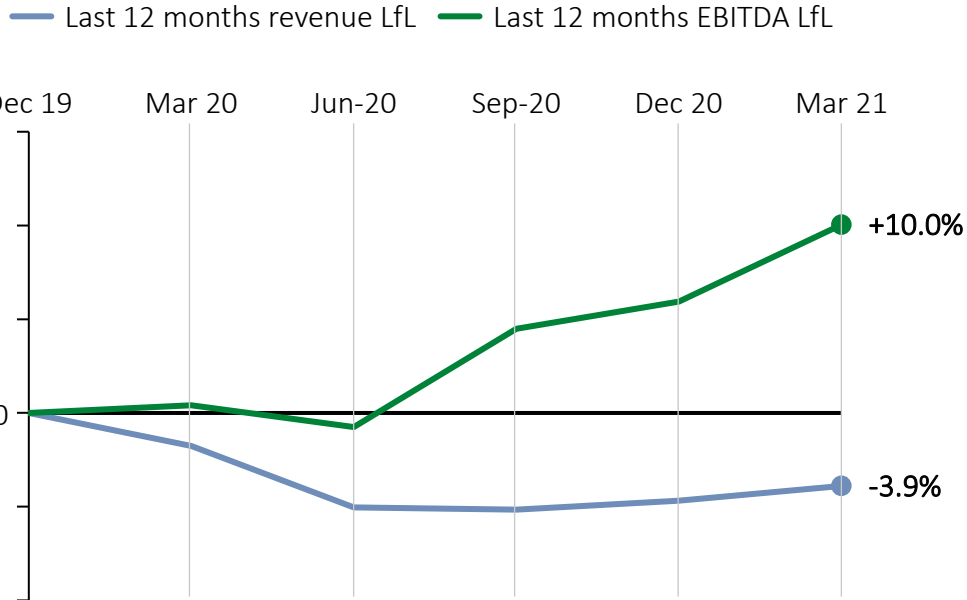
# Record high Operating EBITDA achieved in the quarter

Q1 Operating EBITDA Bridge (m€)

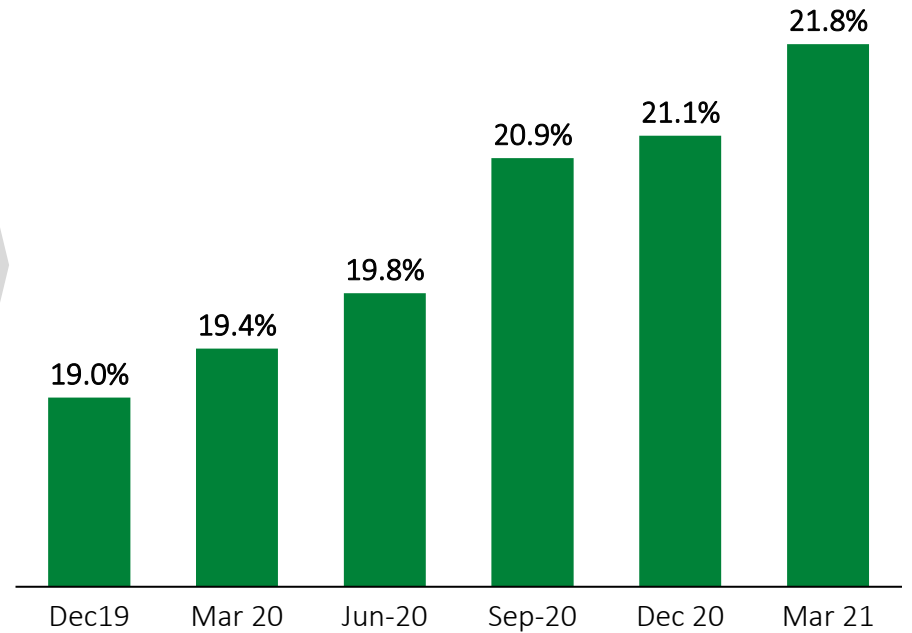


# Profitability continues to increase

Solid increase in profitability despite demand pressure

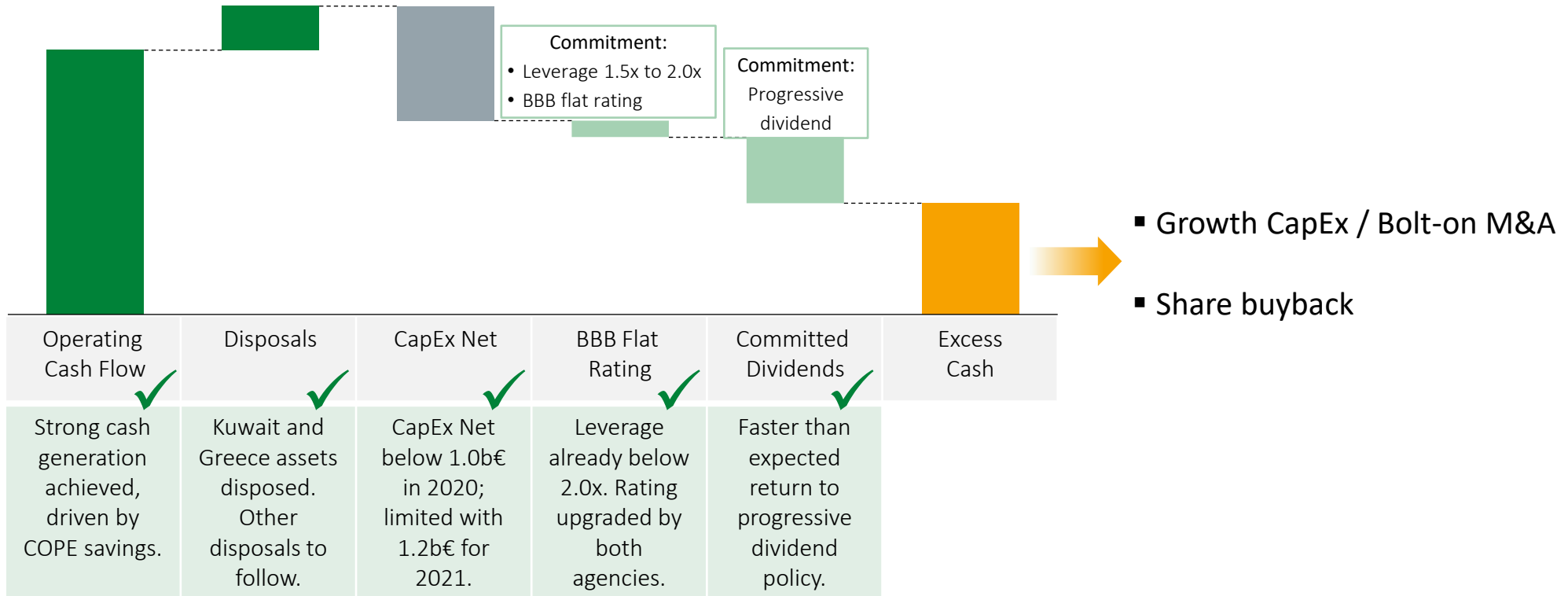


Last 12 months EBITDA margin development



# Beyond 2020 cash generation and allocation framework well on track

Cash generation and cash allocation priorities:





# All major countries with positive outlook for 2021

---



## U.S.

Order backlogs and economic conditions are generally solid or improved in most of the markets. Demand growth expected. Recent leading indicators and large government stimulus provides further future potential.

---



## Canada

Favorable volume development in key markets with carry-over projects from PY, low interest rates, surge in residential and stimulus funding.

---



## U.K.

Demand growth expected in all business lines, driven mainly by increase in infrastructure activity.

---



## Australia

Solid underlying business across the country. Strong market demand expected, especially in the second half of the year.

---



## Europe

750 billion EUR “Recovery Plan” will have a clear positive impact on infrastructure works in all countries.

---



## Germany

Market demand expected to continue on high levels driven by residential and infrastructure segments.

---



## Italy

261 billion EUR “Redesign for Italy Economy” announced, supervisors appointed for the implementation of 83 billion EUR worth big infrastructure projects.

---



## Poland

Positive prospects for infrastructure segment, driven by EU budget and the Reconstruction Fund. Strong residential expected to continue.

---



## Indonesia

Market is expected to get better in the second half as government & private projects start after holiday season in May.

---

## Key Messages

- Sales volumes increase in all business lines and positive pricing lead to +4% LfL revenue growth
- LfL Operating EBITDA (+38%) and LfL Operating EBIT (+295%) growth in the quarter
- EBITDA margins significantly up in all regions
- Next portfolio move: AGG & RMC businesses in Greece are sold; Egypt shareholder structure simplified
- Key goal of Beyond 2020 achieved: Upgraded by both rating agencies S&P (from BBB- to BBB) and Moody's (from Baa3 to Baa2)
- Strong Q1 result reassures full year outlook

HEIDELBERGCEMENT



Appendix



## Sales volumes and Operating Result

Sales Volumes QUARTER	Cement ('000 t)				Aggregates ('000 t)				Ready Mix ('000 m3)				Asphalt ('000 t)			
	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL
North America	3,260	3,089	-172	-5.3%	22,514	23,132	618	2.7%	1,649	1,685	36	2.2%	459	537	78	17.0%
West / South Europe	6,143	6,800	657	10.7%	18,249	19,932	1,683	9.2%	3,821	4,191	370	9.7%	753	877	124	16.5%
North / East Europe	4,585	4,401	-184	-4.0%	8,964	7,978	-986	-11.0%	1,275	1,156	-119	-9.4%	0	0	0	0.0%
Asia Pacific	8,356	8,804	448	5.4%	8,270	8,473	203	2.5%	2,552	2,519	-33	-1.3%	438	502	64	14.6%
Africa / Med. Basin	5,164	5,229	65	1.3%	2,130	1,783	-347	-16.3%	1,233	1,240	7	0.6%	118	55	-62	-52.8%
Group Service	181	37	-144	-8.2%	0	0	0	0.0%	135	0	-135	0.0%	0	0	0	0.0%
<b>HC GROUP</b>	<b>27,689</b>	<b>28,359</b>	<b>670</b>	<b>2.9%</b>	<b>60,109</b>	<b>61,299</b>	<b>1,191</b>	<b>2.0%</b>	<b>10,665</b>	<b>10,791</b>	<b>126</b>	<b>2.5%</b>	<b>1,768</b>	<b>1,972</b>	<b>204</b>	<b>11.5%</b>

Operating Result QUARTER	Revenues (m€)				Operating EBITDA (m€)				Operating EBIT / RCO (m€)				EBITDA Margin			
	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL	Q1 20	Q1 21	Change	LfL
North America	920	849	-7.7%	-0.1%	52	80	54.1%	67.3%	-44	-3	N/A	N/A	5.6%	9.4%	+377 bps	+377 bps
West / South Europe	1,105	1,236	11.9%	12.8%	62	121	94.5%	97.1%	-39	28	N/A	N/A	5.6%	9.8%	+416 bps	+421 bps
North / East Europe	584	571	-2.3%	-1.2%	63	67	6.5%	9.2%	14	21	43.8%	45.7%	10.8%	11.8%	+98 bps	+113 bps
Asia Pacific	737	767	4.1%	5.7%	131	158	20.7%	23.4%	65	99	51.2%	55.7%	17.8%	20.6%	+284 bps	+297 bps
Africa / Med. Basin	444	444	0.0%	6.1%	96	115	20.0%	25.7%	69	89	29.4%	35.7%	21.6%	25.9%	+433 bps	+404 bps
Group Service	298	263	-11.7%	-7.2%	5	6	10.8%	33.2%	5	6	12.7%	36.2%	1.8%	2.3%	+46 bps	+77 bps
<b>HC GROUP</b>	<b>3,930</b>	<b>3,958</b>	<b>0.7%</b>	<b>4.3%</b>	<b>405</b>	<b>538</b>	<b>32.9%</b>	<b>38.0%</b>	<b>59</b>	<b>223</b>	<b>279.5%</b>	<b>295.5%</b>	<b>10.3%</b>	<b>13.6%</b>	<b>+330 bps</b>	<b>+332 bps</b>

## Scope and currency impacts

Scope & Currency QUARTER	Scope Impact on Volumes				Revenue		Operating EBITDA		Operating EBIT (RCO)	
	CEM	AGG	RMC	ASP	Scope	Currency	Scope	Currency	Scope	Currency
North America	0	0	0	0	0	-71	0	-4	0	3
West / South Europe	0	0	0	0	-6	-4	-1	0	0	0
North / East Europe	0	0	0	0	0	-6	0	-2	0	0
Asia Pacific	0	0	0	0	1	-12	0	-3	0	-2
Africa / Med. Basin	0	0	0	0	0	-26	0	-4	0	-3
Group Service	-129	0	-135	0	-12	-1	-1	0	-1	0
<b>HC GROUP</b>	<b>-129</b>	<b>0</b>	<b>-135</b>	<b>0</b>	<b>-17</b>	<b>-120</b>	<b>-2</b>	<b>-13</b>	<b>-1</b>	<b>-2</b>

# Contact information and financial reporting calendar

Date	Event
29 July 2021	Half Year Results
4 November 2021	Third Quarter Results

## Contact Information

### Christoph Beumelburg

Director Group Communication & IR

Phone: +49 (0) 6221 481 13249

[christoph.beumelburg@heidelbergcement.com](mailto:christoph.beumelburg@heidelbergcement.com)

### Ozan Kacar

Head of Investor Relations

Phone: +49 (0) 6221 481 13925

[ozan.kacar@heidelbergcement.com](mailto:ozan.kacar@heidelbergcement.com)

### Katharina Forster

Senior IR Manager

Phone: +49 (0) 6221 481 41016

[katharina.forster@heidelbergcement.com](mailto:katharina.forster@heidelbergcement.com)

### Samuel Jacob

IR Manager

Phone: +49 (0) 6221 481 39670

[samuel.jacob@heidelbergcement.com](mailto:samuel.jacob@heidelbergcement.com)

# Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past, events. They include statements about our beliefs and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of HeidelbergCement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement's control, could cause actual results to differ materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by HeidelbergCement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the

credit business and, in particular, additional uncertainties arising out of the subprime, financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors.

More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement's financial reports, which are available on the HeidelbergCement website, [www.heidelbergcement.com](http://www.heidelbergcement.com). Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In addition to figures prepared in accordance with IFRS, HeidelbergCement also presents alternative performance measures, including, among others Operating EBITDA, EBITDA margin, Adjusted EPS, free cash flow and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. "Operating EBITDA" definition included in this presentation represents "Result from current operations before depreciation and amortization (RCOBD)" and "Operating Income" represents "Result from current operations (RCO)" lines in the annual and interim reports.