

11 May 2022

## HeidelbergCement achieves significant revenue growth in a difficult market environment

- Revenue increases significantly by 12% to €4,427 million (+13% on a like-for-like basis<sup>1)</sup>)
- Marked increase in costs of energy and transport burdens result from current operations
- Portfolio optimisation continues: vertical integration of sustainable ready-mixed concrete solutions expanded in the USA and Czechia
- Business excellence programmes start to deliver results
- Outlook confirmed: strong revenue increase and slight growth in result<sup>1)</sup> expected

<sup>1)</sup> Adjusted for consolidation and exchange rate effects

“The first quarter of 2022 was not an easy one for HeidelbergCement”, said Dr Dominik von Achten, Chairman of the Managing Board. “Despite the continuing uncertainties regarding the supply of energy and raw materials and the associated rise in energy prices, we were able to increase our revenue significantly. Although our result declined in comparison with the same quarter of the previous year, which was exceptionally good, it increased in comparison with the equally strong first quarter of 2020.

Although there is still a lot of uncertainty concerning energy and raw material availability and costs, we continue to see strong demand for our products in all regions. In particular, demand for sustainable, low-carbon products is growing rapidly. We are optimistic about the remainder of 2022.”

### Robust development of sales volumes in the first quarter of 2022

In the first quarter, sales volumes in most business lines were around the same level of the previous year.

At 28.4 million tonnes (previous year: 28.4), Group-wide cement and clinker sales volumes remained at the previous year’s level. The consolidation-related decline in sales volumes in North America resulting from the sale of our activities in the West region in October 2021 was offset by the growth in sales volumes in the other Group areas. Excluding consolidation effects, the cement and clinker sales volumes increased by 2.1%.

Deliveries of aggregates rose slightly by 1.0% compared with the previous year to 61.9 million tonnes (previous year: 61.3). On a like-for-like basis, deliveries increased by 5.3%. Significant volume growth in the Northern and Eastern Europe-Central Asia, Asia-Pacific, and Africa-

Eastern Mediterranean Basin Group areas were offset by decreases in sales volumes in Western and Southern Europe, as well as consolidation-related declines in North America.

Sales volumes of ready-mixed concrete fell by 2.0% to 10.6 million cubic metres (previous year: 10.8). Excluding consolidation effects, sales volumes grew by 1.6%. While deliveries in Northern and Eastern Europe-Central Asia and Africa-Eastern Mediterranean Basin were noticeably above the level of the previous year, with a slight increase in Western and Southern Europe and Asia-Pacific, sales volumes in North America declined, primarily as a result of consolidation.

Asphalt deliveries decreased considerably by 29.7% to 1.4 million tonnes (previous year: 2.0). On a like-for-like basis, deliveries fell by 5.2%.

### **Development of revenue and results**

Revenue rose significantly by 11.8% in comparison with the previous year to €4,427 million (previous year: 3,958). Excluding consolidation and exchange rate effects, the growth amounted to 13.0%. In particular, price increases in all Group areas contributed to the revenue growth. Changes to the scope of consolidation of €170 million had a negative effect on revenue, while exchange rate effects of €109 million had a positive impact.

The result from current operations before depreciation and amortisation (RCOBD) fell by €145 million, i.e. 26.9%, to €394 million (previous year: 538). Excluding consolidation and exchange rate effects, the operational decline amounted to €140 million, resulting in a figure 25.4% below the previous year's level. The decline in result was attributable to the significantly higher costs of energy and transport compared with the same quarter of the previous year, which could only be partially offset despite increases in our sales prices. The RCOBD margin, i.e. the ratio of the result from current operations before depreciation and amortisation to revenue, fell to 8.9% (previous year: 13.6). The result from current operations decreased by 59.3% to €91 million (previous year: 223).

### **Further portfolio optimisation**

HeidelbergCement is improving its vertical integration in Czechia to further develop its sustainable product portfolio. On 1 April 2022, the company purchased six ready-mixed concrete plants and one sand pit in the Moravia region. In addition, HeidelbergCement has further expanded its presence in the southeast of the USA. On 4 April 2022, the company acquired all the assets of Meriwether Ready Mix, a leading producer of ready-mixed concrete in the Atlanta area.

### **Continued progress on sustainability**

With a view to achieving carbon neutrality, HeidelbergCement is working to implement a large number of measures, including increasing the proportion of sustainable, carbon-reduced

concrete products. At the beginning of the year, the sustainable concrete portfolio was expanded in the German market under the EcoCrete brand. Depending on the application, EcoCrete offers a CO<sub>2</sub> reduction of up to 66% per cubic metre of concrete, which is achieved technically and without compensatory measures.

Progress is also being made in the various carbon capture, use, and storage (CCUS) projects that the company is advancing worldwide. For example, HeidelbergCement's subsidiary Lehigh Cement agreed to cooperate with Enbridge Inc. for the transport and storage of the CO<sub>2</sub> emissions to be captured at the cement plant in Edmonton, Canada. At the Edmonton plant, the first industrial-scale CCUS plant in North America is currently being built, with the aim of capturing around 780,000 tonnes of CO<sub>2</sub> each year.

### **Share buyback programme continued**

In the first quarter of 2022, HeidelbergCement continued its share buyback programme, which was launched in August 2021. Previously, on 13 January 2022, all 5,324,577 treasury shares acquired under the first tranche were cancelled with a reduction in the subscribed share capital. As of this date, the subscribed share capital of HeidelbergCement AG amounts to €579,275,700 and is divided into 193,091,900 no-par value shares. The second tranche of the share buyback programme with a planned volume of €300 to €350 million started on 7 March 2022 and is scheduled to be completed by 31 August 2022 at the latest. By 6 May 2022, a total of around 2.1 million treasury shares had been purchased via the stock exchange at a total price of around €113.4 million.

### **Outlook for 2022 confirmed**

"Demand for our building materials remains high in all regions, despite the persistently volatile market conditions," said Dr Dominik von Achten. "In addition, the efficiency programmes with a focus on our sales prices and costs are starting to deliver results. We thus expect to see strong growth momentum for the rest of the year."

In view of these circumstances, HeidelbergCement confirms its outlook for the whole of 2022. The company anticipates strong growth in revenue and a slight increase in the result from current operations, in both cases before consolidation and exchange rate effects.

### **Risks and opportunities**

Risks that may have a significant impact on our assets, financial, and earnings position in the 2022 financial year and in the foreseeable future are described in the Annual Report 2021 in the Risk and opportunity report chapter on page 70 f.

The risk from the price trend in the raw materials and energy markets has already been partially materialised in the course of the Russia–Ukraine war. In this context, uncertainties remain.

Moreover, the IMF lowered its growth forecast for the global economy for the current year in April 2022 from 4.4% to 3.6%. In Europe, the risk of recession has increased as a result of rising inflation and strained supply chains. We classify this as a general risk with a possible impact on the entire Group and possibly a rapid occurrence.

In a holistic view of individual risks and the overall risk situation, there are, from today's perspective, no identifiable risks that could jeopardise the company as a going concern.

An overview of our sales and financial figures for the first quarter of 2022 can be found in the factsheet under [Reports and presentations \(www.heidelbergcement.com\)](https://www.heidelbergcement.com).

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## Financial calendar

Annual General Meeting 2022	12 May 2022
Capital Markets Day 2022	24 May 2022
Half-year Financial Report 2022	28 July 2022
Quarterly Statement January to September 2022	3 November 2022

## About HeidelbergCement

HeidelbergCement is one of the world's largest integrated manufacturers of building materials and solutions, with leading market positions in aggregates, cement, and ready-mixed concrete. More than 51,000 employees at almost 3,000 locations in over 50 countries stand for long-term profitability thanks to operational excellence and openness to change. Responsibility for the environment is at the heart of the Group's actions. As a leader on the path towards carbon neutrality, HeidelbergCement is working on sustainable building materials and solutions for the future.

## Disclaimer of liability – forward-looking statements

This document contains forward-looking statements. Such forward-looking statements do not constitute forecasts with respect to business results or other key performance indicators but refer to trends or targets that also include their development and potential in connection with plans, initiatives, events, products, solutions, and services. Although HeidelbergCement believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions as at the date of this document, investors are cautioned that these statements are not guarantees of future performance or developments. The actual results may differ materially from the forward-looking statements because of various risks and uncertainties, many of which are difficult to predict and generally beyond the control of HeidelbergCement. These risks and uncertainties include the risks described in the HeidelbergCement Annual Report (available on the internet at [www.heidelbergcement.com](http://www.heidelbergcement.com)) and the uncertainties related to market conditions and the implementation of our plans. Therefore, it is recommended not to rely on forward-looking statements. HeidelbergCement undertakes no obligation to update these forward-looking statements.

Unless otherwise stated, the financial information provided here has been prepared pursuant to the International Financial Reporting Standards (IFRS).