

# Q1 2024 Trading Update

## 7 May 2024

**Dr Dominik von Achten – CEO**  
**René Aldach – CFO**

Heidelberg Materials



## Q1 2024 operational overview

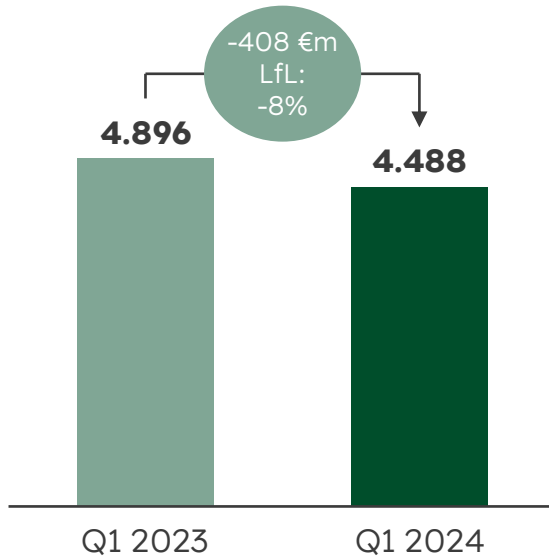
- Good performance in Q1 despite challenging environment impacted by bad weather conditions and less working days:
  - Revenue -8%; EBITDA -2%; RCO -9% \*
- EBITDA Margin further improves by +71 bps versus prior year, driven by positive pricing and strict cost management
- Growth path continues: acquisition of ACE Group in Malaysia
- 1.2 €bn share buyback program to be started in Q2
- Up to 500 \$m funding secured for Mitchell, our largest CCUS project that will capture 2 mt CO<sub>2</sub> p.a. from 2030
- 2024 Outlook confirmed:
  - RCO at 3.00-3.30 €bn
  - ROIC at around 10%

\* All like-for-like, excluding currency and scope impacts

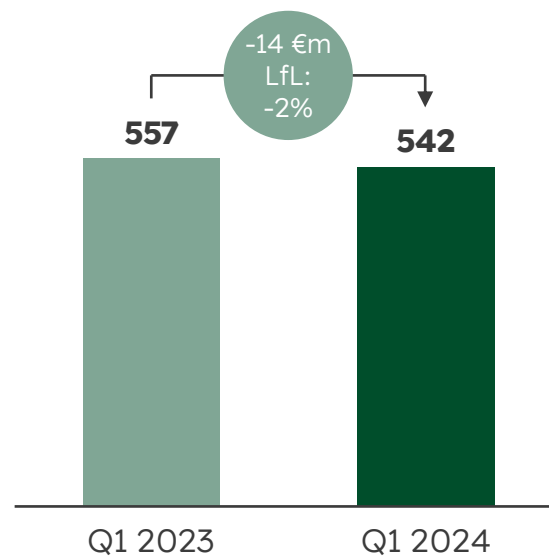


# Q1 2024: Solid start against a very strong prior year

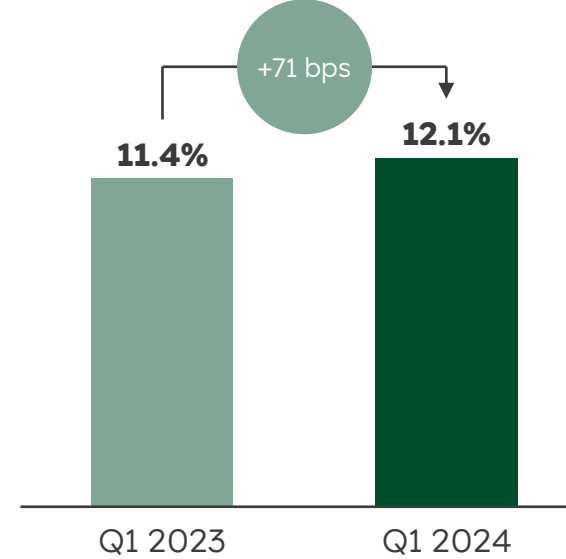
Revenue [€m]



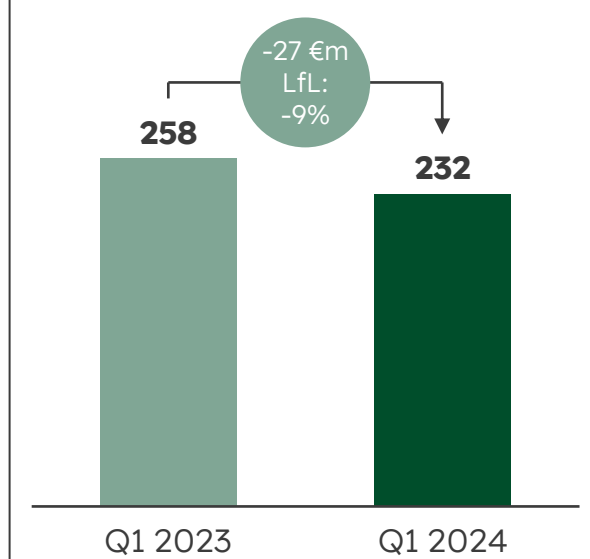
Operating EBITDA [€m]



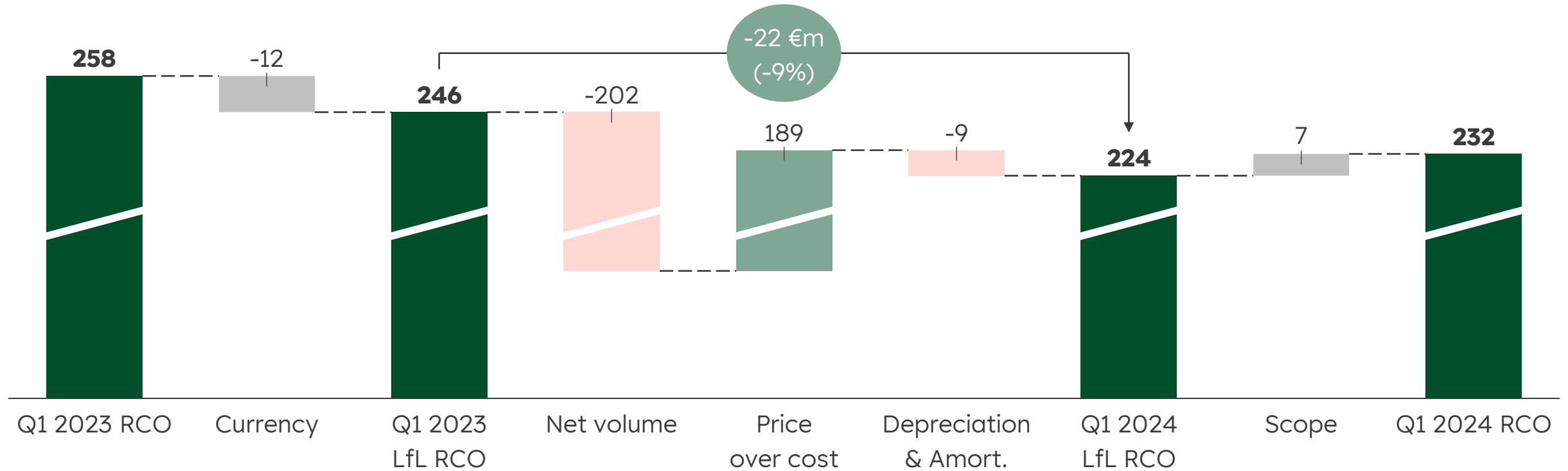
Operating EBITDA Margin



Operating EBIT (RCO) [€m]

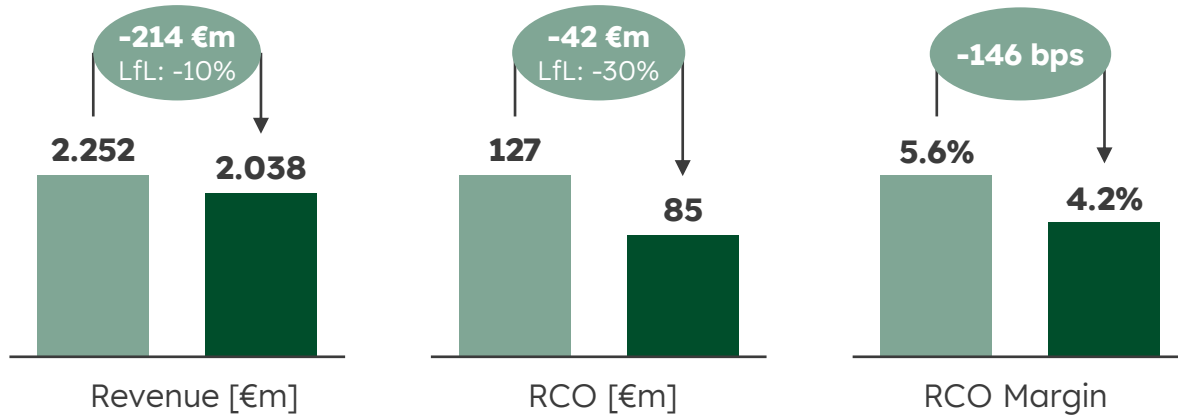


# Q1 2024 Operating EBIT (RCO) bridge [€m]



# Europe

Q1 2023    Q1 2024



- Volumes impacted by less working days in the quarter. Demand recovery visible in East Europe
- Good cost management partly compensates volume pressure
- Price over cost expected to remain positive throughout the year

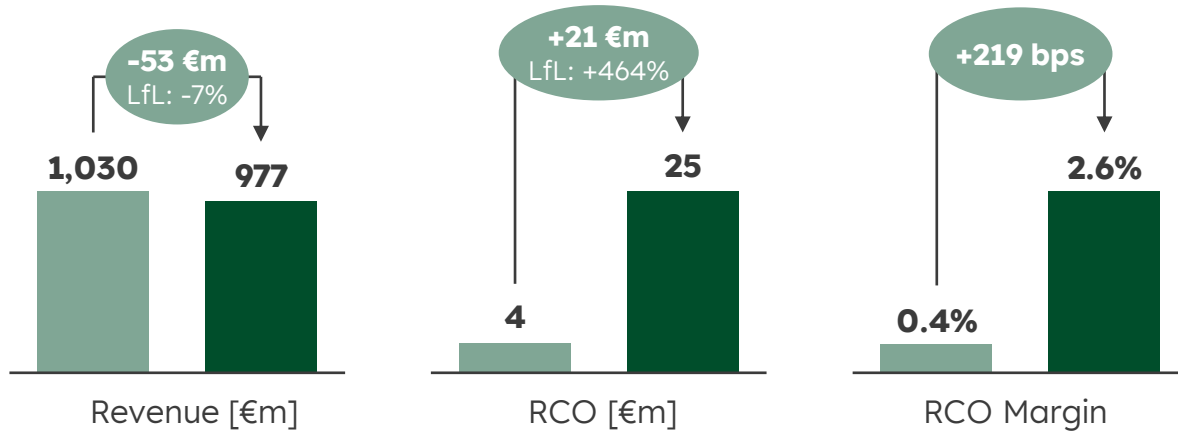


Anatole France Primary School - France



# North America

Q1 2023    Q1 2024



- Significant result and margin improvement driven by solid price development and disciplined cost management
- Weather related shortfall in volumes in Q1 2024 vs. very strong comparison base; order books remain solid across business lines
- Robust outlook for 2024 confirmed with solid contributions from recent investments

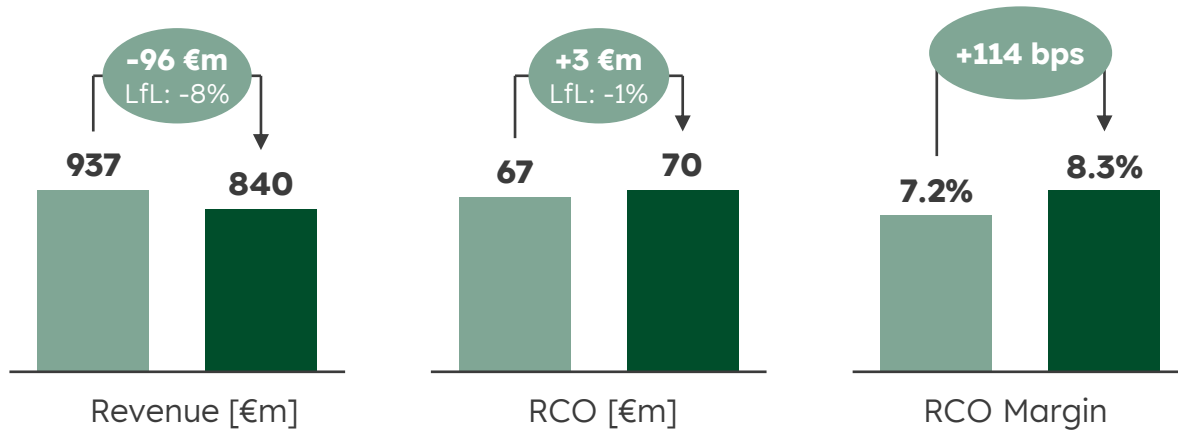


Patricia & Phillip Frost Museum of Science - Miami



# Asia - Pacific

Q1 2023    Q1 2024



- Footprint further strengthened through acquisition of ACE Group, largest supplier of pulverised fly ash in Malaysia
- Solid margin improvement despite volume driven decline in revenue
- Good performance in Australia despite weaker market
- Stable demand in Indonesia and India

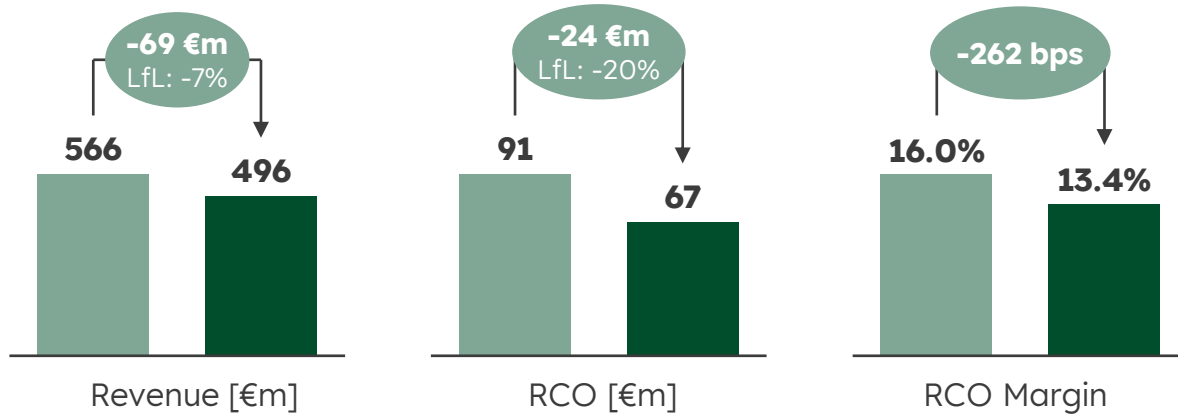


West Kowloon Terminus - Hong Kong



## Africa - Mediterranean - Western Asia

Q1 2023 Q1 2024



- Slightly negative volume development due to Ramadan impact in Morocco and Egypt
- Overall good pricing in local currencies partly compensates cost pressure
- Currency devaluation puts pressure on costs in some markets














Hassan II Bridge - Morocco









# Accelerating portfolio review and optimising cost structure

## Portfolio optimisation: \*

 <b>UK</b> Acquisition of Mick George (Recycling)	 <b>Germany</b> Acquisition of SER Group (Recycling)	 <b>Georgia</b> Disposal of HM Georgia (CEM)
 <b>Canada</b> Acquisition of Green Drop Rock Products (AGG)	 <b>Germany</b> Acquisition of RWG I (Recycling)	 <b>Spain</b> Disposal of parts of Spain assets
 <b>US East</b> Acquisition of RMS Gravel (AGG)	 <b>Indonesia</b> Acquisition of Semen Grobogan plant (CEM)	 <b>Gambia</b> Disposal of CEM business (CEM)
 <b>US East</b> Acquisition of The SEFA Group (SCM)	 <b>Tanzania</b> Acquisition of Tanga Cement (CEM)	

- **~700 €m spent for growth projects**
- **~275 €m disposal**

## Strict cost measures:

 <b>Germany</b>	Shut-down clinker production in Leimen
 <b>Germany</b>	Shut-down clinker production in Hanover
 <b>France</b>	Closure of sites in Beffes and Villiers-au-Bouin
 <b>US Midwest</b>	Mitchell plant optimisation

**Profit contribution and margin improvement already visible in Q1 result**

\* Since 01 January 2023








# Sustainability highlights

- Driving decarbonization: Acquisition of ACE Group, the largest supplier of pulverised fly ash in Malaysia
- Up to 500 \$m funding secured for Mitchell, our largest CCUS project that will capture 2 mt CO<sub>2</sub> p.a. from 2030
- Draft legislation for Carbon Storage Act and key principles outlining Carbon Management strategy are important basis for accelerated realisation of our GeZero project
- evoZero®, the world's first carbon captured net-zero concrete, to be used for the new Nobel Center (Stockholm)
- Renewing the partnership with BirdLife - more than 40 biodiversity projects already initiated since its start



## Guidance confirmed

	2024 Target
 <b>Revenue</b>	<b>LfL Growth</b>
 <b>RCO</b>	<b>3.00 to 3.30 €bn</b>
 <b>ROIC</b>	<b>At around 10%</b>
 <b>CapEx Net</b>	<b>Around 1.1 €bn</b>
 <b>Leverage</b>	In line with mid-term target: <b>Between 1.5x-2.0x</b>



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# Appendix



# Currency and scope impacts / Operating Result

Scope & Currency Q1 2024	Revenue (€m)		Operating EBITDA (€m)		Operating EBIT (RCO) (€m)	
	Scope	Currency	Scope	Currency	Scope	Currency
Europe	4	14	-4	1	-4	1
North America	32	-12	7	-1	2	0
Asia - Pacific	22	-46	9	-7	7	-4
Africa - Med. - Western Asia	13	-45	4	-11	2	-10
Group Service & Other	0	0	0	0	0	0
<b>Total GROUP</b>	<b>72</b>	<b>-89</b>	<b>16</b>	<b>-17</b>	<b>7</b>	<b>-12</b>

Operating Result Q1 2024 [€m]	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	Q1 23	Q1 24	Change	LfL	Q1 23	Q1 24	Change	LfL	Q1 23	Q1 24	Change	LfL	Q1 23	Q1 24	Change	LfL
Europe	2,252	2,038	-9.5%	-10.3%	255	213	-16.3%	-15.2%	11.3%	10.5%	-85 bps	-62 bps	127	85	-33.0%	-30.5%
North America	1,030	977	-5.1%	-7.2%	76	109	43.6%	36.3%	7.4%	11.2%	+380 bps	+347 bps	4	25	510.4%	463.6%
Asia - Pacific	937	840	-10.3%	-8.2%	129	130	0.6%	-1.6%	13.8%	15.5%	+167 bps	+98 bps	67	70	3.9%	-0.8%
Africa - Med. - Western Asia	566	496	-12.3%	-7.1%	121	99	-18.5%	-13.7%	21.5%	19.9%	-152 bps	-152 bps	91	67	-26.6%	-20.5%
Group Service & Other	112	136	22.2%	22.2%	-25	-9	N/A	N/A	-22.3%	-6.7%	N/A	N/A	-31	-16	N/A	N/A
<b>Total GROUP</b>	<b>4,896</b>	<b>4,488</b>	<b>-8.3%</b>	<b>-8.1%</b>	<b>557</b>	<b>542</b>	<b>-2.6%</b>	<b>-2.4%</b>	<b>11.4%</b>	<b>12.1%</b>	<b>+71 bps</b>	<b>+70 bps</b>	<b>258</b>	<b>232</b>	<b>-10.4%</b>	<b>-8.9%</b>



## 2023 restated figures \*

Revenue (m€)	Q1 23	Q2 23	H1 23	Q3 23	9M 23	Q4 23	FY 23
Europe	2,252	2,594	4,846	2,444	7,291	2,275	9,566
North America	1,030	1,404	2,434	1,522	3,956	1,263	5,219
Asia - Pacific	937	874	1,811	949	2,759	945	3,705
Africa - Med. - Western Asia	566	590	1,156	601	1,756	533	2,289
Group Service & Other	112	114	226	95	321	78	399
<b>Total GROUP</b>	<b>4,896</b>	<b>5,577</b>	<b>10,473</b>	<b>5,611</b>	<b>16,083</b>	<b>5,094</b>	<b>21,178</b>

Operating EBITDA (m€)	Q1 23	Q2 23	H1 23	Q3 23	9M 23	Q4 23	FY 23
Europe	255	610	864	593	1,458	425	1,883
North America	76	332	409	448	857	325	1,181
Asia - Pacific	129	158	287	178	464	179	643
Africa - Med. - Western Asia	121	145	266	172	439	152	590
Group Service & Other	-25	-14	-39	1	-38	-2	-40
<b>Total GROUP</b>	<b>557</b>	<b>1,230</b>	<b>1,787</b>	<b>1,393</b>	<b>3,179</b>	<b>1,079</b>	<b>4,258</b>

RCO (m€)	Q1 23	Q2 23	H1 23	Q3 23	9M 23	Q4 23	FY 23
Europe	127	484	611	461	1,072	295	1,367
North America	4	256	260	363	623	233	856
Asia - Pacific	67	96	164	118	281	117	399
Africa - Med. - Western Asia	91	115	206	143	349	117	466
Group Service & Other	-31	-20	-52	-5	-57	-8	-65
<b>Total GROUP</b>	<b>258</b>	<b>931</b>	<b>1,189</b>	<b>1,080</b>	<b>2,269</b>	<b>754</b>	<b>3,022</b>

### Operating EBIT Margin:

Q1 23	Q2 23	H1 23	Q3 23	9M 23	Q4 23	FY 23
11.3%	23.5%	17.8%	24.3%	20.0%	18.7%	19.7%
7.4%	23.7%	16.8%	29.5%	21.7%	25.7%	22.6%
13.8%	18.0%	15.8%	18.7%	16.8%	18.9%	17.4%
21.5%	24.5%	23.0%	28.7%	25.0%	28.5%	25.8%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>11.4%</b>	<b>22.1%</b>	<b>17.1%</b>	<b>24.8%</b>	<b>19.8%</b>	<b>21.2%</b>	<b>20.1%</b>

### RCO Margin:

Q1 23	Q2 23	H1 23	Q3 23	9M 23	Q4 23	FY 23
5.6%	18.6%	12.6%	18.9%	14.7%	13.0%	14.3%
0.4%	18.2%	10.7%	23.9%	15.8%	18.4%	16.4%
7.2%	11.0%	9.0%	12.4%	10.2%	12.4%	10.8%
16.0%	19.5%	17.8%	23.8%	19.9%	22.0%	20.4%
N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>5.3%</b>	<b>16.7%</b>	<b>11.4%</b>	<b>19.2%</b>	<b>14.1%</b>	<b>14.8%</b>	<b>14.3%</b>

\* Figures are restated due to change in segment structure as of 1<sup>st</sup> January 2024. "Western & Southern Europe" and "Northern & Eastern Europe" are merged into "Europe". Russia & Kazakhstan are moved from "Northern & Eastern Europe" to "Africa - Mediterranean - Western Asia" region, as a result of change in Management Board structure and responsibilities.



# Financial Calendar & IR Contacts

## Upcoming events:

- 16 May 2024 : Annual General Meeting
- 30 July 2024 : Half year results
- 7 November 2024 : Third quarter trading update

## Contact:

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