



Q3 2024 Trading Update

Dr Dominik von Achten - CEO
René Aldach - CFO

07.11.2024





Good performance in Q3 2024, Outlook upgraded

Result and margin improvement continues:

- Revenue 0%; EBITDA +3%; RCO +3% ¹
- EBITDA margin improves by +39 bps

Continued strong performance in North America

supported by good returns from recent highly accretive M&A deals

“Transformation Accelerator” initiative with 500 €m result contribution started, step change in Western European asset base and global cost improvement

Last 12 months **free cash flow at 2.0 €bn**

First in the industry: **We will offer carbon-captured Net Zero cement and concrete** in H1 2025

2024 Outlook upgraded:

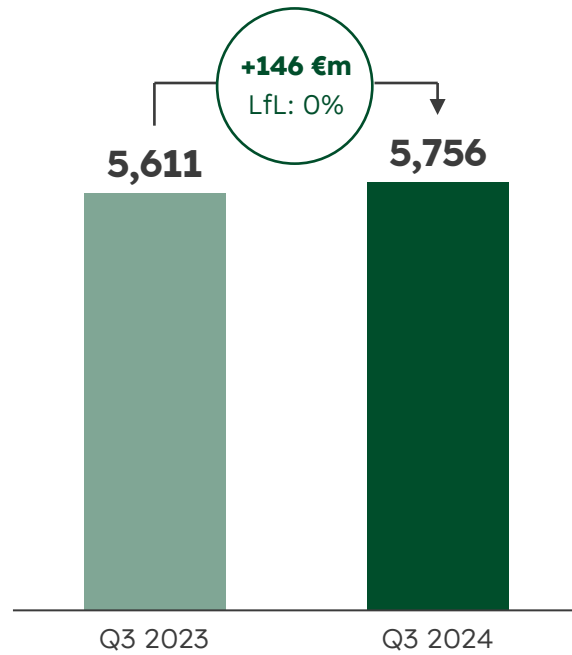
- RCO at 3.10 – 3.30 €bn (*previously 3.00 – 3.30 €bn*)
- ROIC at around 10%

¹ All like-for-like, excluding currency and scope impacts

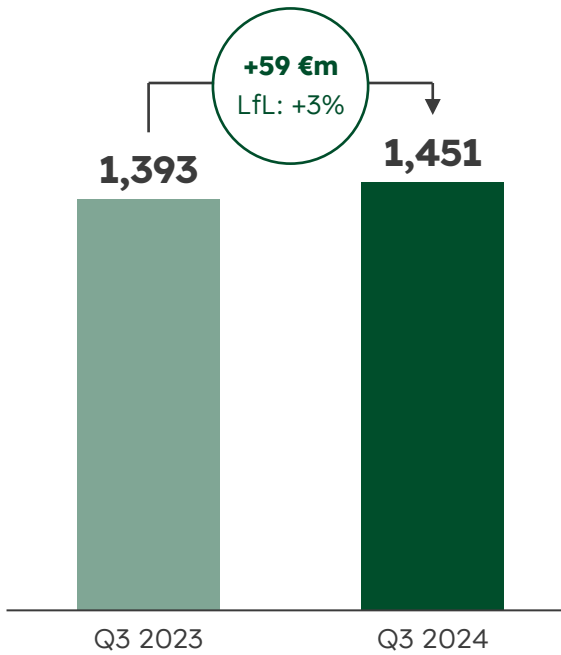


Q3 2024: Margin improvement continues

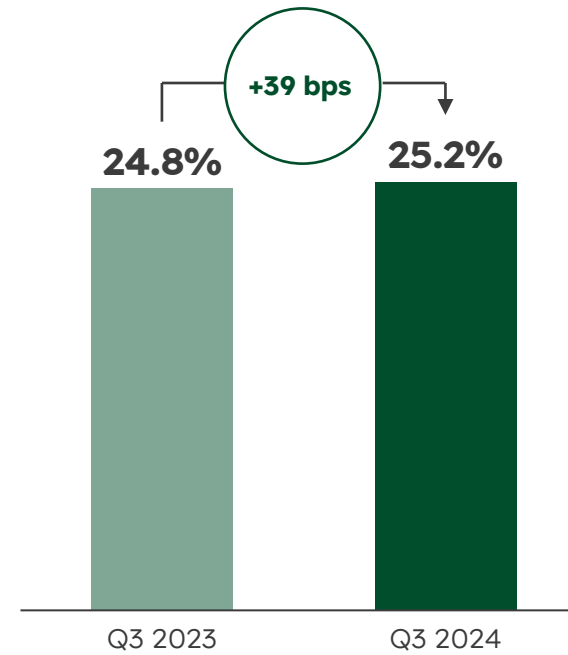
Revenue [€m]



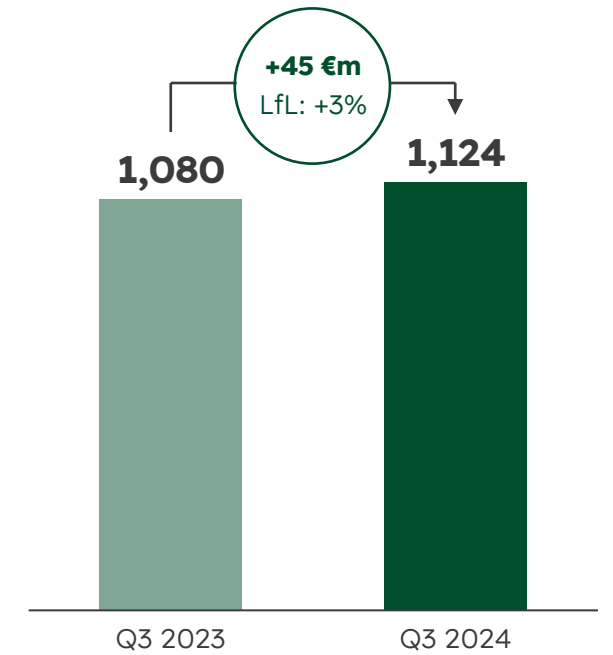
Operating EBITDA [€m]



Operating EBITDA Margin

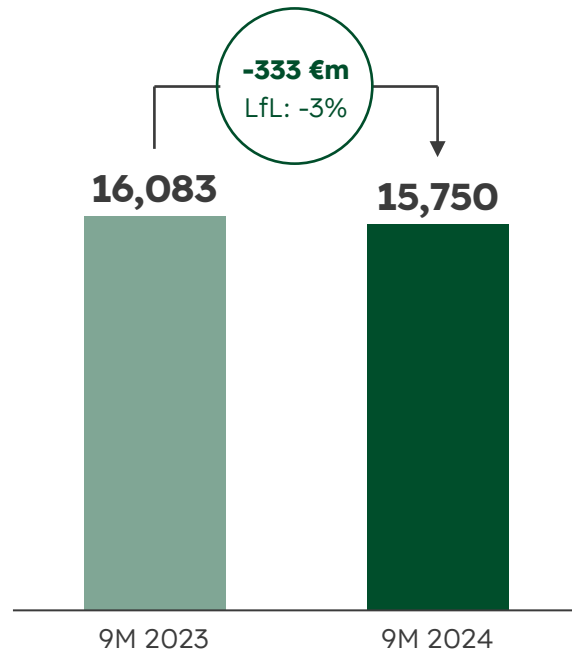


Operating EBIT (RCO) [€m]

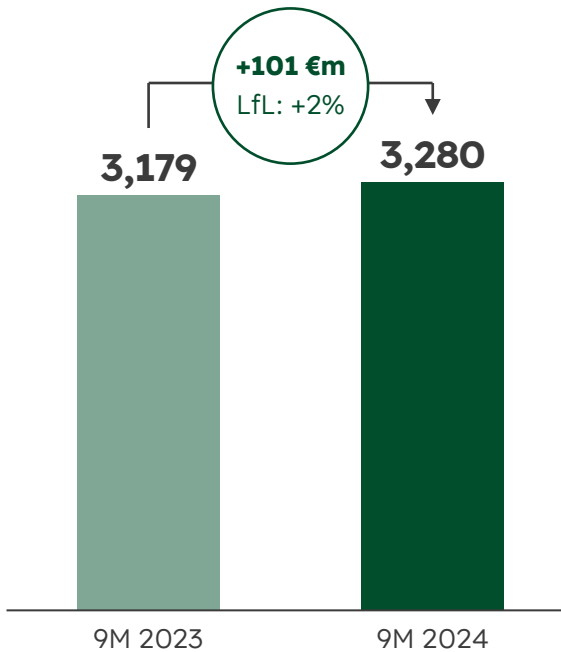


9M 2024: Result improvement despite volume pressure

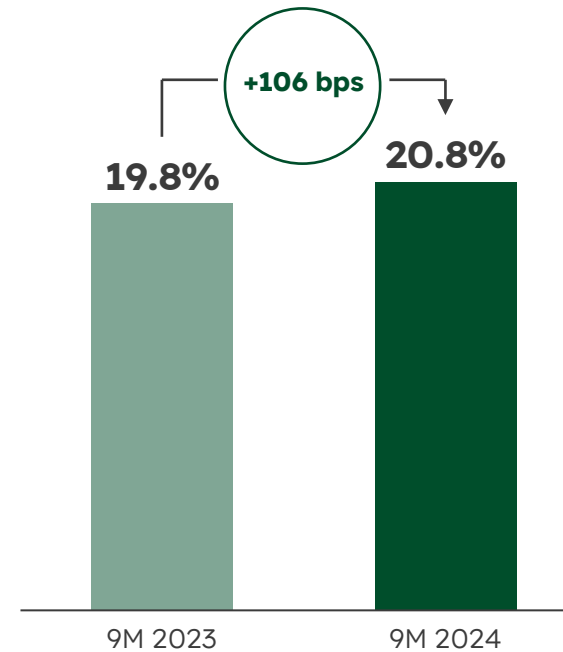
Revenue [€m]



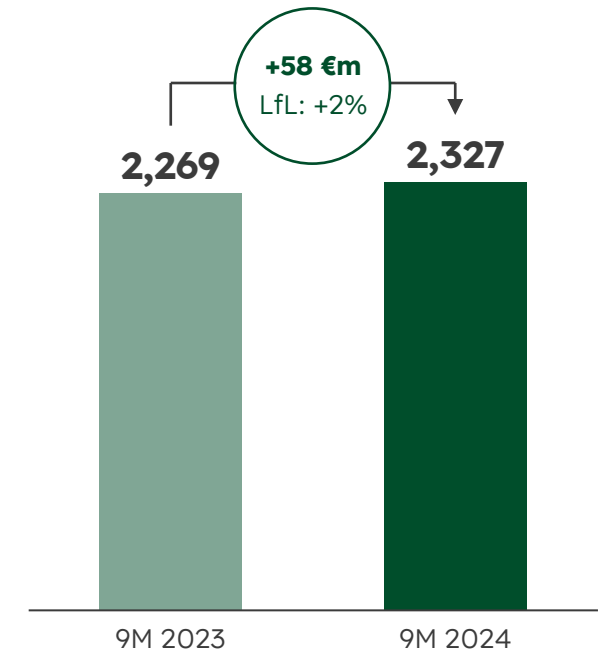
Operating EBITDA [€m]



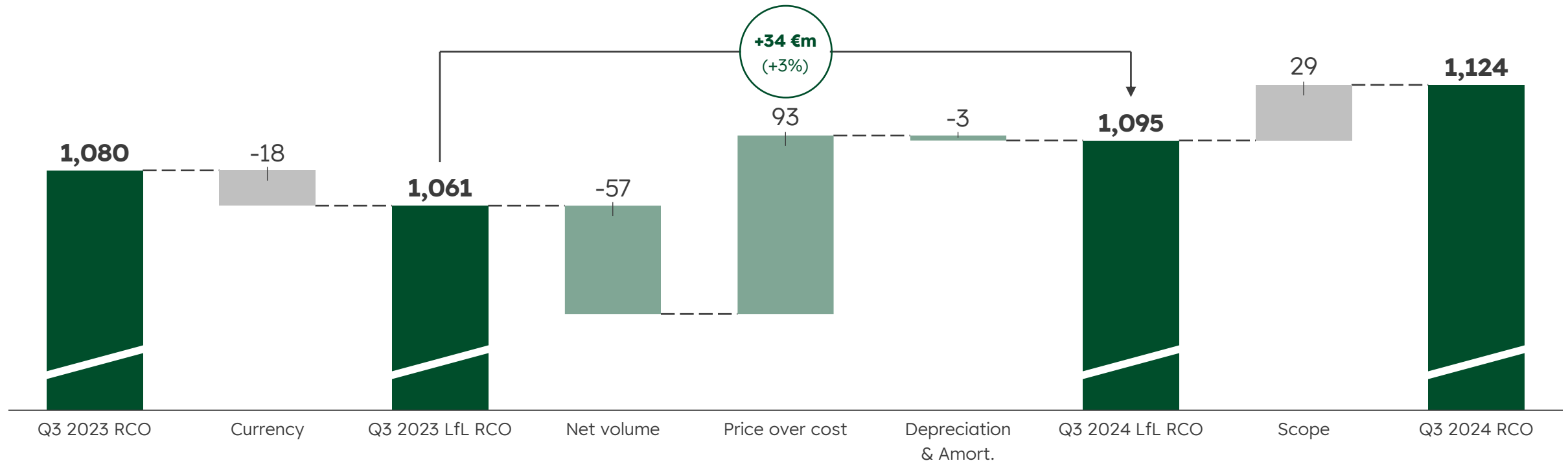
Operating EBITDA Margin



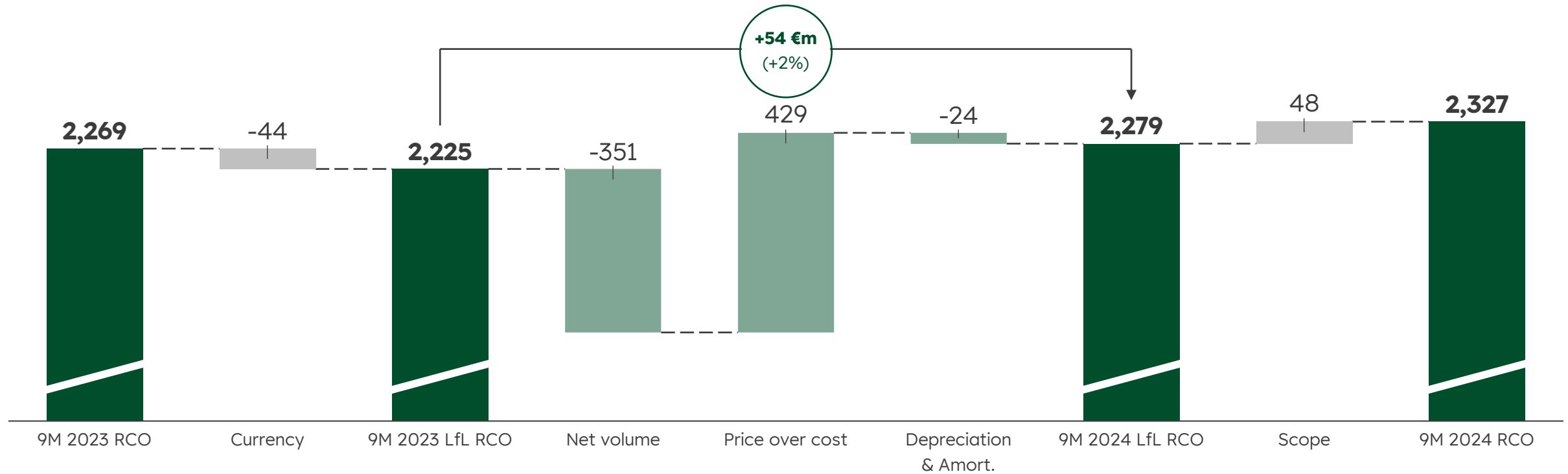
Operating EBIT (RCO) [€m]



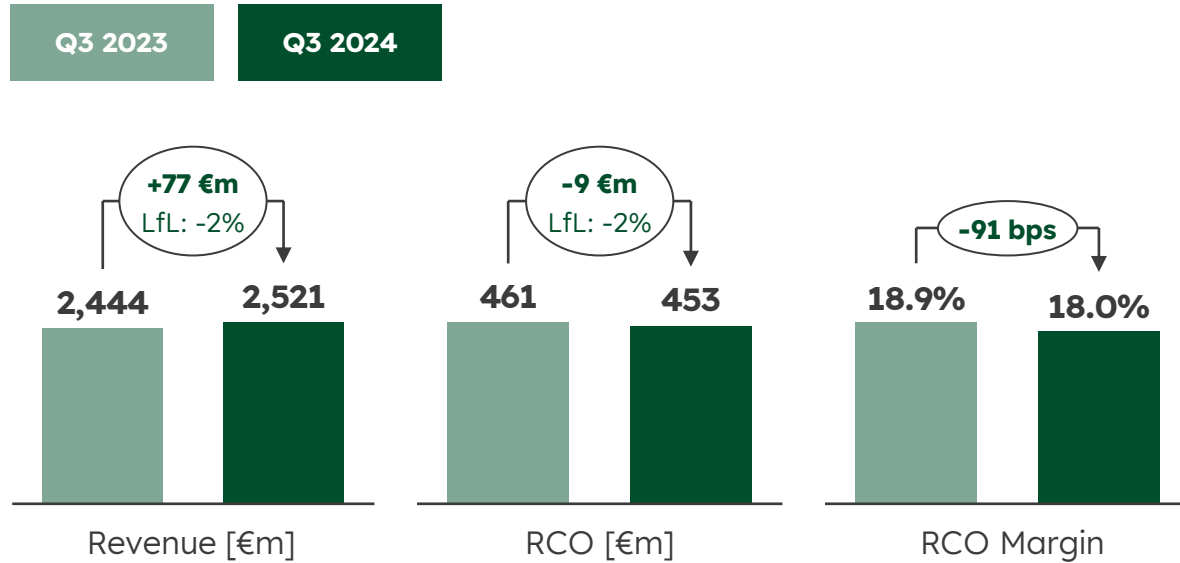
Q3 2024: Operating EBIT (RCO) bridge [€m]



9M 2024: Operating EBIT (RCO) bridge [€m]



Europe



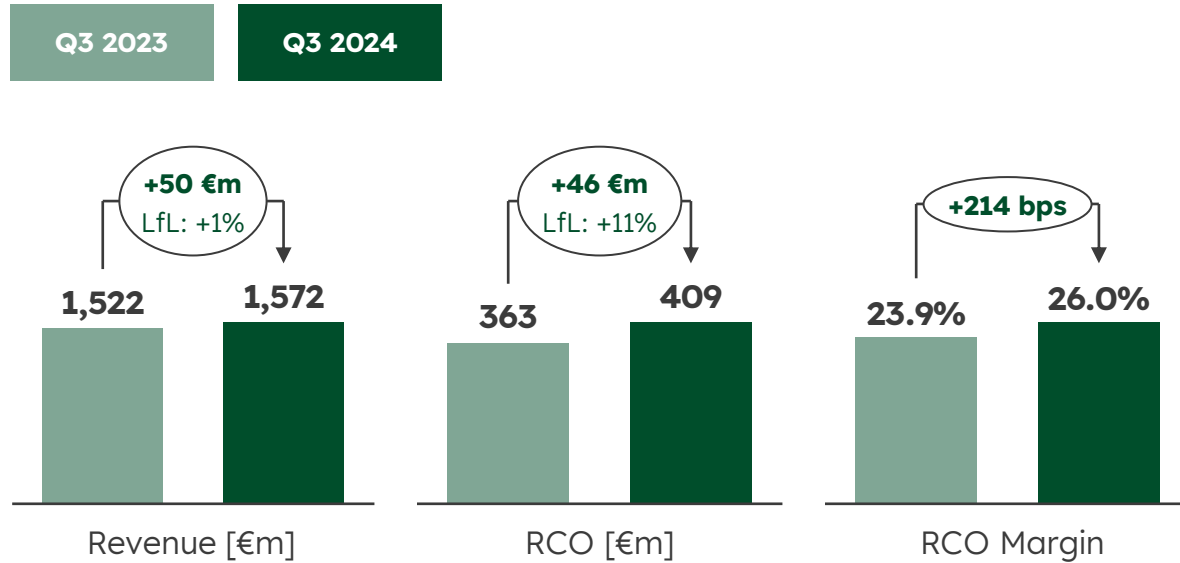
Demand recovery continues in Eastern Europe, declines begin to flatten out in certain key countries in Western Europe

RCO continues at a high level, driven by positive price over cost

“Transformation Accelerator” initiative will be a step change in European asset base, delivering margin and asset efficiency improvements



North America



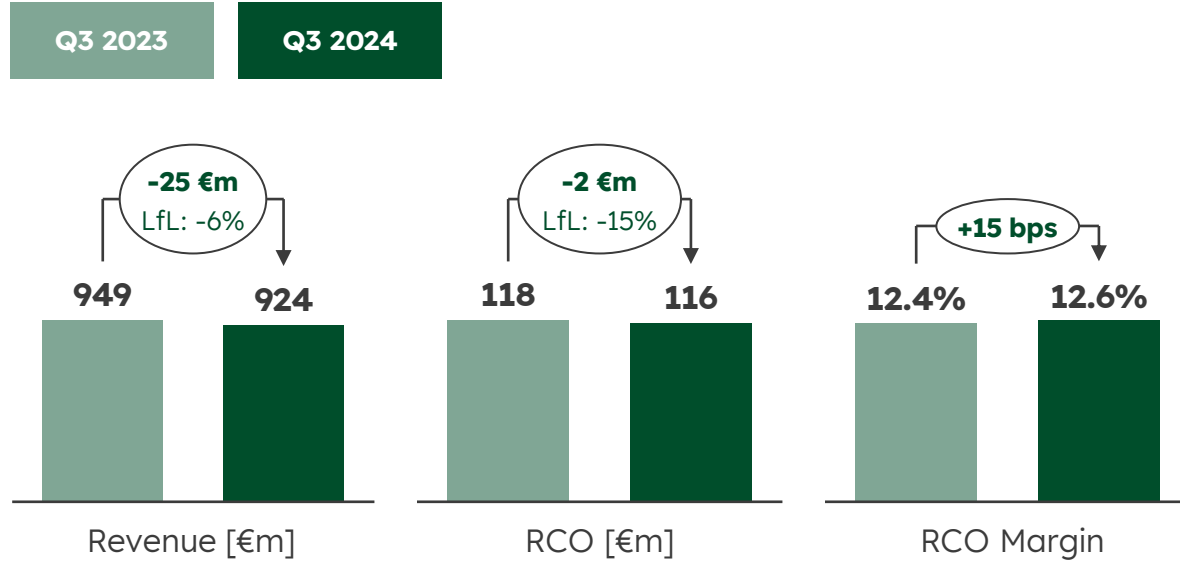
Favorable result development despite significant weather events and softer demand in Q3 2024

Margin improvement continues, driven by solid price performance and disciplined cost management

Good returns from recent highly accretive M&A deals



Asia – Pacific



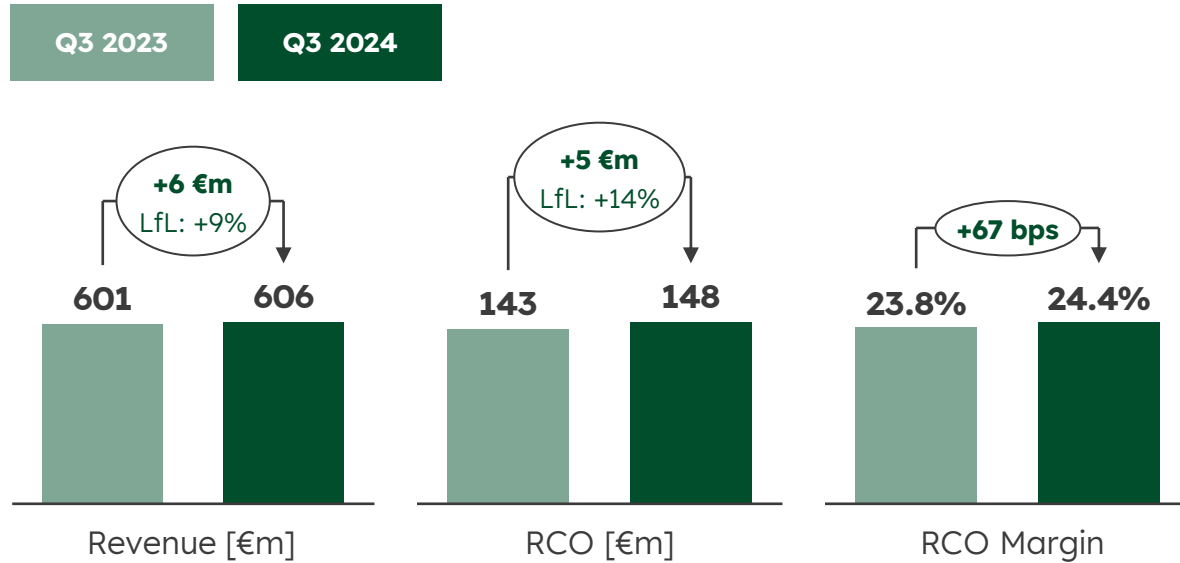
Margin improvement despite challenging market environment which put pressure on demand and pricing

Overall stable business development in Australia

ACE Group and Grobogan investments deliver above expectations



Africa – Mediterranean – Western Asia



Clear improvement in operational result in the quarter

Positive pricing in local currencies and good cost management deliver margin improvement

Solid operational performance overcompensates devaluation impacts



“Transformation Accelerator”: Taking the pole position for the future

Pulling all levers to catalyse growth

Cross-border network optimisation	Efficiencies across functions	Technical initiatives
Measures on country business line level	Measures on country & group level	Measures on plant level
Focus on cost synergies through standardisation and optimization of business network	Focus on procurement and back-office/overhead costs	Focus on clinker incorporation and other technical KPIs, including power, heat, alternative fuels

Expected yearly result contribution of €500 million by end of 2026

Addressing future opportunities and further improve operational excellence

Each pillar with clearly defined target, constantly tracked and analysed

Optimising clinker and cement network in selected countries/regions and improving site productivity

Initiatives internally aligned and communicated, action plans already under preparation



Sustainability highlights

First in the industry to capture carbon:

With the mechanical completion of our CCS-plant in Brevik, we will offer carbon-captured Net Zero cement and concrete in H1 2025

Launching decarbonisation project in Italy:

Feed study to investigate potential source-to-sink CCS solution and participation in CCS Ravenna project

Driving circularity and low-carbon product solutions:

Investment in clean-tech start-up EnviCore with its technology to reprocess recycled construction and demolition waste into high-quality SCM

Closing the loop:

Inauguration of first-of-its-kind recycling plant for selective separation of demolition concrete in Poland



Financial highlights

Adjusted EPS increases by 14% to 8.8 €¹

Last 12 months **free cash flow at 2.0 €bn²**

Leverage at 1.5x, impacted by seasonality

Second Green Bond is placed with an amount of 500 €m, following the first 700 €m placed in June




First tranche of 1.2 €bn share buyback program with an amount of 350 €m to 400 €m is about to be finalised

¹ 9M 2024 vs. 9M 2023

² Based on last 12 months rolling figures



Guidance upgraded

Key steering KPIs	2024 Target
 RCO	3.10 to 3.30 €bn (previously: 3.00 to 3.30 €bn)
 ROIC	At around 10%
 CO₂ emission (kg CO ₂ /t cementitious material)	Slight reduction





Good performance in Q3 2024, Outlook upgraded

Result and margin improvement continues:

- Revenue 0%; EBITDA +3%; RCO +3% ¹
- EBITDA margin improves by +39 bps

Continued strong performance in North America

supported by good returns from recent highly accretive M&A deals

“Transformation Accelerator” initiative with 500 €m result contribution started, step change in Western European asset base and global cost improvement

Last 12 months **free cash flow at 2.0 €bn**

First in the industry: **We will offer carbon-captured Net Zero cement and concrete** in H1 2025

2024 Outlook upgraded:

- RCO at 3.10 – 3.30 €bn (*previously 3.00 – 3.30 €bn*)
- ROIC at around 10%

¹ All like-for-like, excluding currency and scope impacts



Appendix



Scope & currency impacts

Scope & currency Q3 2024 [€m]

	Revenue		Operating EBITDA		Operating EBIT (RCO)	
	Scope	Currency	Scope	Currency	Scope	Currency
Europe	99	15	4	2	-1	2
North America	55	-19	13	-4	9	-3
Asia – Pacific	40	-11	21	-2	18	-2
Africa – Med. - Western Asia	23	-67	5	-17	4	-16
Group Service & Other	0	0	0	0	0	0
Total GROUP	218	-81	43	-21	29	-18

Scope & currency 9M 2024 [€m]

	Revenue		Operating EBITDA		Operating EBIT (RCO)	
	Scope	Currency	Scope	Currency	Scope	Currency
Europe	118	41	-6	6	-10	5
North America	103	-23	21	-5	10	-3
Asia – Pacific	95	-82	47	-14	39	-8
Africa – Med. - Western Asia	53	-172	14	-41	9	-37
Group Service & Other	0	0	0	0	0	0
Total GROUP	368	-236	76	-53	48	-44



Operating result

Operating result Q3 2024 [€m]

	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	Q3 23	Q3 24	Change	LfL	Q3 23	Q3 24	Change	LfL	Q3 23	Q3 24	Change	LfL	Q3 23	Q3 24	Change	LfL
Europe	2,444	2,521	3.1%	-1.5%	593	590	-0.5%	-1.5%	24.3%	23.4%	-85 bps	+1 bps	461	453	-1.8%	-2.0%
North America	1,522	1,572	3.3%	0.9%	448	501	11.7%	9.7%	29.5%	31.8%	+238 bps	+257 bps	363	409	12.6%	11.1%
Asia – Pacific	949	924	-2.6%	-5.8%	178	176	-0.8%	-11.3%	18.7%	19.1%	+35 bps	-108 bps	118	116	-1.4%	-15.4%
Africa – Med. - Western Asia	601	606	0.9%	9.2%	172	179	4.0%	11.6%	28.7%	29.6%	+87 bps	+65 bps	143	148	3.8%	13.7%
Group Service & Other	95	133			1	5							-5	-2		
Total GROUP	5,611	5,756	2.6%	0.2%	1,393	1,451	4.2%	2.7%	24.8%	25.2%	+39 bps	+62 bps	1,080	1,124	4.1%	3.2%

Operating result 9M 2024 [€m]

	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	9M 23	9M 24	Change	LfL	9M 23	9M 24	Change	LfL	9M 23	9M 24	Change	LfL	9M 23	9M 24	Change	LfL
Europe	7,291	7,094	-2.7%	-4.8%	1,458	1,398	-4.1%	-4.1%	20.0%	19.7%	-29 bps	+15 bps	1,072	1,004	-6.3%	-5.8%
North America	3,956	3,975	0.5%	-1.6%	857	1,024	19.5%	17.7%	21.7%	25.8%	+411 bps	+424 bps	623	759	21.8%	20.8%
Asia – Pacific	2,759	2,615	-5.2%	-5.9%	464	446	-3.9%	-11.3%	16.8%	17.1%	+24 bps	-97 bps	281	267	-5.1%	-16.5%
Africa – Med. - Western Asia	1,756	1,647	-6.2%	0.6%	439	410	-6.6%	-0.5%	25.0%	24.9%	-10 bps	-29 bps	349	315	-9.7%	-1.7%
Group Service & Other	321	419			-38	2							-57	-18		
Total GROUP	16,083	15,750	-2.1%	-2.9%	3,179	3,280	3.2%	2.5%	19.8%	20.8%	+106 bps	+110 bps	2,269	2,327	2.6%	2.4%



Operating result – Business lines

Year to Date Figures

Business line CEMENT [€m]	Revenue			Operating EBITDA			Operating EBITDA Margin		
	9M 23	9M 24		9M 23	9M 24		9M 23	9M 24	
Europe	3,858	3,702	-4.1%	1,002	1,039	3.6%	26.0%	28.1%	+208 bps
North America	1,652	1,690	2.3%	414	491	18.8%	25.0%	29.1%	+404 bps
Asia - Pacific	1,457	1,339	-8.1%	226	211	-6.7%	15.5%	15.7%	+24 bps
Africa – Med. - Western Asia	1,512	1,437	-4.9%	384	368	-4.0%	25.4%	25.6%	+25 bps
Total GROUP	8,480	8,168	-3.7%	2,023	2,109	4.2%	23.9%	25.8%	+196 bps

Year to Date Figures

Business line AGGREGATES [€m]	Revenue			Operating EBITDA			Operating EBITDA Margin		
	9M 23	9M 24		9M 23	9M 24		9M 23	9M 24	
Europe	1,574	1,749	11.1%	330	347	5.4%	20.9%	19.9%	-108 bps
North America	1,597	1,601	0.2%	439	504	14.6%	27.5%	31.5%	+394 bps
Asia - Pacific	504	491	-2.5%	119	99	-16.6%	23.5%	20.1%	-340 bps
Africa – Med. - Western Asia	69	56	-19.1%	13	10	-19.4%	18.2%	18.1%	-8 bps
Total GROUP	3,744	3,897	4.1%	900	960	6.6%	24.0%	24.6%	+59 bps



2023 restated figures ¹

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
Total GROUP	557	1,230	1,787	1,393	3,179	1,079	4,258

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
Total GROUP	258	931	1,189	1,080	2,269	754	3,022

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
Total GROUP	4,896	5,577	10,473	5,611	16,083	5,094	21,178

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
11.4%	22.1%	17.1%	24.8%	19.8%	21.2%	20.1%

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
5.3%	16.7%	11.4%	19.2%	14.1%	14.8%	14.3%

¹ Figures are restated due to change in segment structure as of 1st 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:

- 25.02.2025: Full Year Results
- 08.05.2025: Q1 Trading Update
- 15.05.2025: Annual General Meeting
- 31.07.2025: Half Year Results
- 06.11.2025: Q3 Trading Update

Contact:

Investor Relations:

ir-info@heidelbergmaterials.com

Press & Media:

info@heidelbergmaterials.com



Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS). All the figures included in this presentation are preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes.

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 Heidelberg Materials. 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 Heidelberg Materials' control, could cause actual results to differ materially from those that may be expressed or implied by such forward-looking statement or information. For Heidelberg Materials 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 Heidelberg Materials' 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. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

More detailed information about certain of the risk factors affecting Heidelberg Materials is contained throughout this presentation and in Heidelberg Materials' financial reports, which are available on the Heidelberg Materials website, www.heidelbergmaterials.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, Heidelberg Materials also presents alternative performance measures, including, among others Operating EBITDA, EBITDA margin, Operating EBIT, 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.





Heidelberg
Materials