

7 November 2024

Heidelberg Materials continues growth trajectory in the third quarter 2024

- **Operational result further increased: RCO¹⁾ rises by 3%²⁾ to €1,124 million (previous year: 1,080)**
- **Margin growth continues: RCOBD margin³⁾ climbs to 25.2%²⁾ (previous year: 24.8)**
- **Pulling all levers to catalyse further growth: initiative with a result contribution of €500 million started**
- **Driving value with ongoing portfolio optimisation: footprint in the US and Morocco strengthened**
- **Accelerating decarbonisation: world's first industrial-scale CCS facility at a cement plant on track**
- **Focus on shareholder return: first tranche of share buyback programme about to be finalised**
- **Outlook for 2024 upgraded: result from current operations now between €3.1 – 3.3 billion expected; ROIC to be around 10%**

¹⁾ RCO = result from current operations; ²⁾ Adjusted for scope and currency effects;

³⁾ RCOBD margin = result from current operations before depreciation and amortisation as a percentage of revenue

Heidelberg Materials closed the third quarter of 2024 with a strong performance. The company increased its result from current operations before depreciation and amortisation (RCOBD) by 3%²⁾ to €1,451 million (previous year: 1,393), while further improving its RCOBD margin by 39 basis points to 25.2% (previous year: 24.8). The result from current operations (RCO) grew by 3%²⁾ to €1,124 million (previous year: 1,080).

“Our persistently strong performance in North America combined with a continued focus on cost management across key markets helped offset volume headwinds and contributed to further increasing our operational result and improving our profitability,” stated Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials. “Looking at the full year, we remain confident and upgrade our outlook for 2024 by lifting the lower end of the anticipated range for our result from current operations.”

“We have also made significant progress on expanding our offering around low-carbon and circular products. We are on track with the mechanical completion of the sector's first industrial-scale CCS facility at our Brevik plant in Norway, paving the way to deliver the world's first carbon-captured net-zero cement and concrete next year.”

Good results driven by strong performance in North America

Against the backdrop of a challenging environment characterised by ongoing volume pressure and partly difficult weather conditions in the third quarter, disciplined cost management as well as a solid price performance over-compensated for declining volumes in some Group areas. This led to the overall result and margin growth. A main driver to this development were the good results in North America which additionally benefitted from the strong contributions of recent acquisitions.

Pulling all levers to catalyse further growth

To further accelerate its transformation towards sustainable products and profitable growth, Heidelberg Materials has embarked on a “Transformation Accelerator” initiative with a focus on cross-border network optimisation, efficiencies across functions, and technical initiatives on a global scale. A particular focus area will be the optimisation of the clinker and cement network in Western Europe. Overall, the initiative is expected to lead to a yearly result contribution of €500 million by the end of 2026.

Driving value with ongoing portfolio optimisation

With three important acquisitions in the third quarter, Heidelberg Materials enhanced its existing footprint in the US while also adding to its rapidly growing portfolio of circular solutions across North America. In August, the company acquired Highway Materials, Inc., one of the largest independent aggregates and asphalt producers in the Greater Philadelphia market. The acquisition of Carver Sand & Gravel, the largest aggregates producer in the Albany, New York, followed also in August. In addition, Heidelberg Materials acquired Victory Rock, a producer of high-quality aggregates for concrete and asphalt as well as other related products. To further strengthen the company’s large footprint in Morocco, Heidelberg Materials’ subsidiary Ciments du Maroc acquired controlling stakes in Asment de Témara, a cement and ready-mixed concrete producer, and Grabemaro, a supplier of aggregates. The investment creates substantial synergies through the usage of alternative fuels and accelerates decarbonisation in an attractive growth market.

Decarbonisation gaining further momentum

Heidelberg Materials’ ambitious decarbonisation efforts continue to gain momentum. The company is on track to start up the world’s first industrial-scale carbon capture facility in a cement plant. Nearing mechanical completion of its Norway-based Brevik CCS project at the end of 2024, the company will deliver the world’s first carbon captured net-zero cement and concrete under its evoZero® brand in 2025.

In September, the company has started a feasibility study for another decarbonisation project that is conducted at its Rezzato-Mazzano cement plant which is set to become the first plant in Italy to

produce carbon captured net-zero cement and concrete. With expertise from its broad range of CCUS projects that have already been launched and an ambitious CO₂ roadmap, Heidelberg Materials is well positioned to participate in the development of the CCS sector in Italy.

Leading in sustainable financing: Second green bond placed

Heidelberg Materials successfully placed its second Green Bond as part of its Green Finance Framework. The issue volume amounts to €500 million with a term until 2031. In June, Heidelberg Materials already issued a Green Bond with an issue volume of €700 million. The Green Bonds complement the company's sustainable financing portfolio. The range of projects financed by these bonds extends from the modernisation of plants, for example to increase the use of alternative fuels, to the expansion of carbon capture technologies.

Focus on shareholder return

Earlier this year, Heidelberg Materials launched a second share buyback programme with a volume of up to €1.2 billion to allow its shareholders to substantially participate in the company's success beyond the progressive dividend policy. The first of three tranches is about to be finalised, with the company already having acquired own shares at a total price of €315.5 million by 1 November 2024.

Outlook for 2024 upgraded

Based on the business performance in the first nine months of 2024, the Managing Board has upgraded the outlook and raised the lower end of the range for the result from current operations (RCO). The company now expects the result from current operations (RCO) for the 2024 financial year to be between €3.1 billion and €3.3 billion (previously: between €3.0 billion and €3.3 billion). ROIC is still anticipated to be around 10%. The Managing Board expects a further slight reduction compared with 2023 in specific net CO₂ emissions per tonne of cementitious material.

An overview of our financial figures for the first nine months and the third quarter of 2024 can be found in the Quarterly Statement January to September 2024 under [Reports and Presentations \(heidelbergmaterials.com\)](https://www.heidelbergmaterials.com/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 more than 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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