

Q3 2022 Trading Update

3 November 2022

Dr. Dominik von Achten – Group CEO
René Aldach – Group CFO



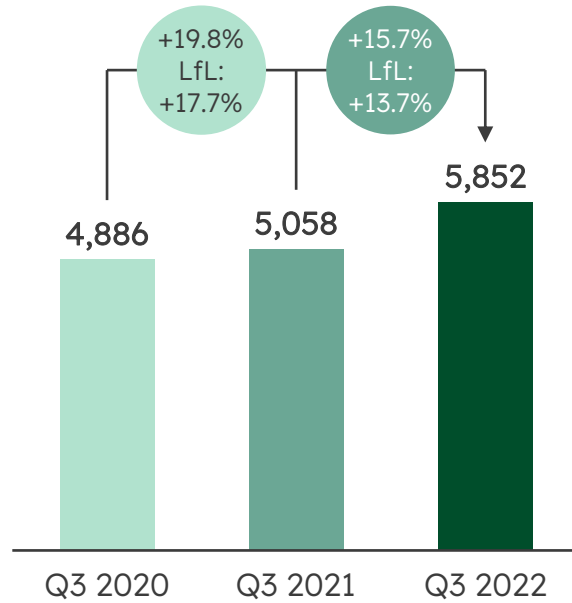
Key messages

- Strong revenue growth in the quarter (+14% LfL) driven by strong pricing. Commercial excellence program reaches 1.6 billion EUR.
- Q3 result at prior year level, despite very volatile energy prices in Europe and high global inflation rate.
- Positive trend in “price over cost” continues. Pricing compensated total cost inflation in the quarter.
- Submitting the 2030 CO₂ reduction targets to the SBTi for validation in line with the recently announced 1.5°C scenario.
- Outlook:
 - Strong revenue growth
 - Operating EBITDA: 3,625 m€ to 3,825m€
 - RCO: 2,350 m€ to 2,550 m€
 - Volatility of energy cost remains high

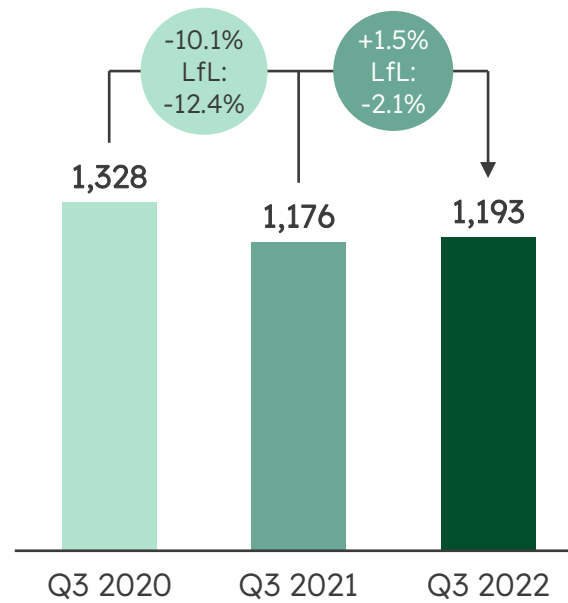


Q3 operational overview

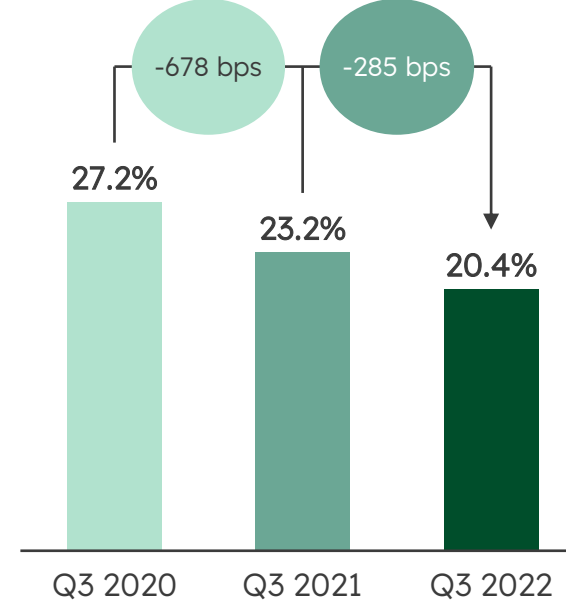
Revenue (m€)



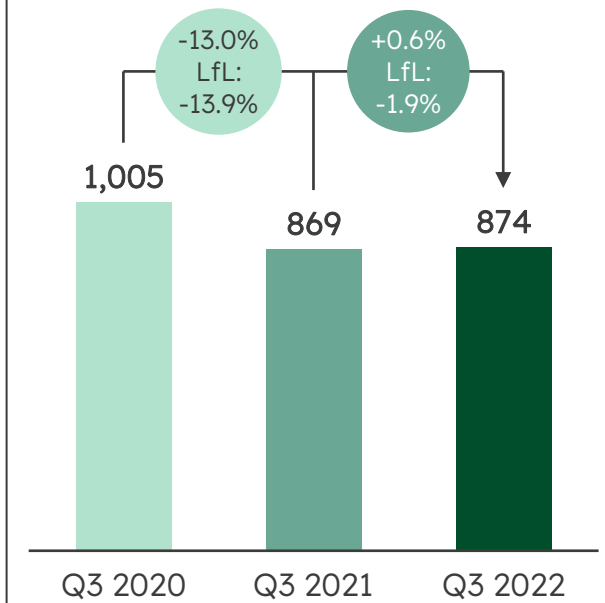
Operating EBITDA (m€)



Operating EBITDA Margin



Operating EBIT (RCO) (m€)

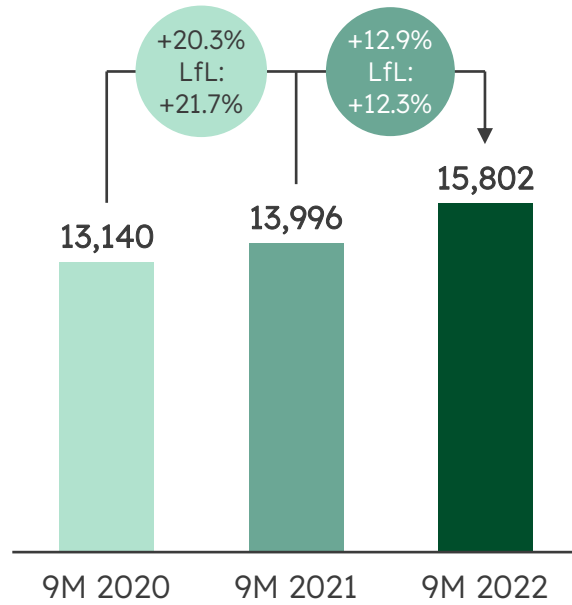


- YoY 2022 vs. 2021
- YoY 2022 vs. 2020

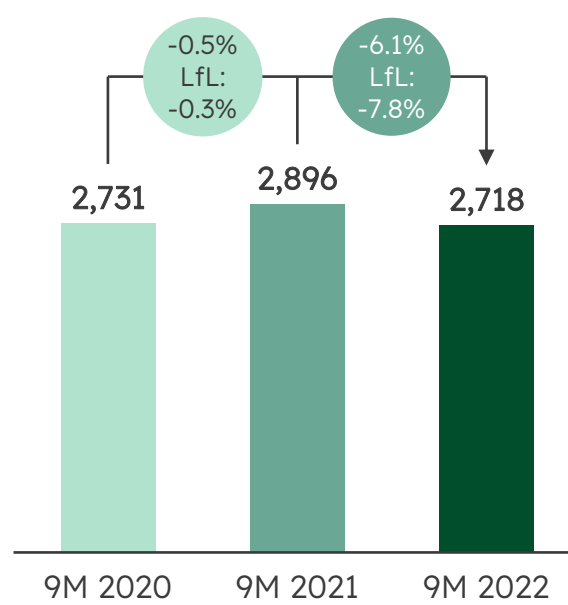


9 months operational overview

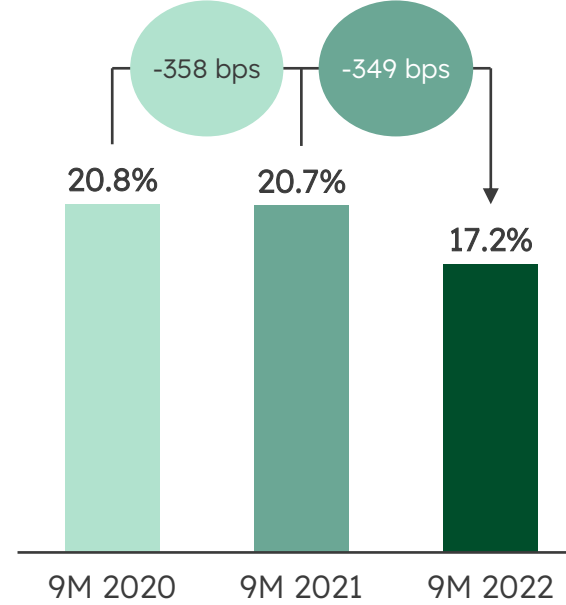
Revenue (m€)



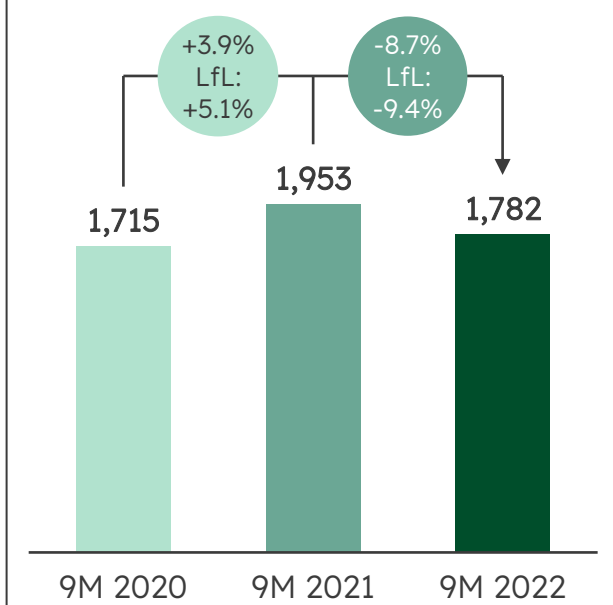
Operating EBITDA (m€)



Operating EBITDA Margin



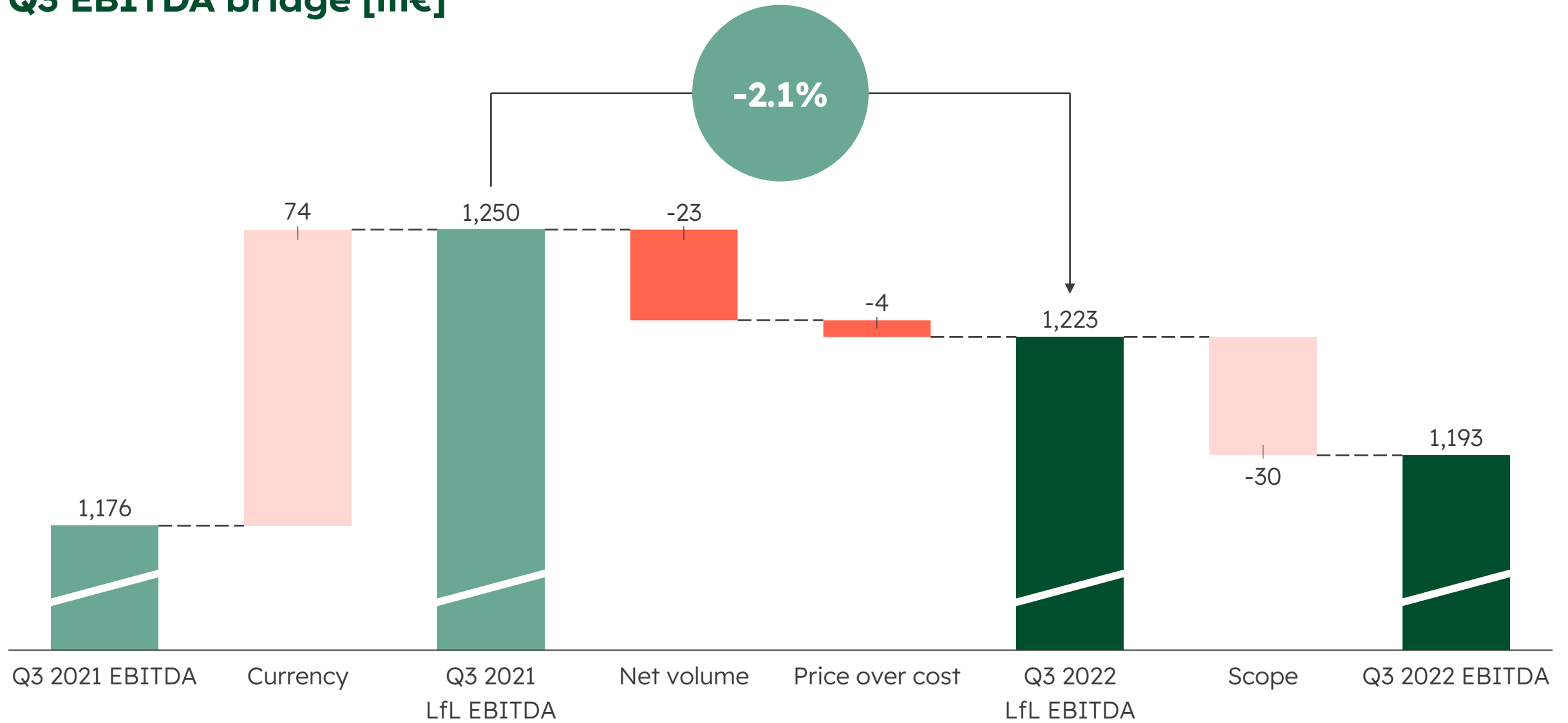
Operating EBIT (RCO) (m€)



- YoY 2022 vs. 2021
- YoY 2022 vs. 2020

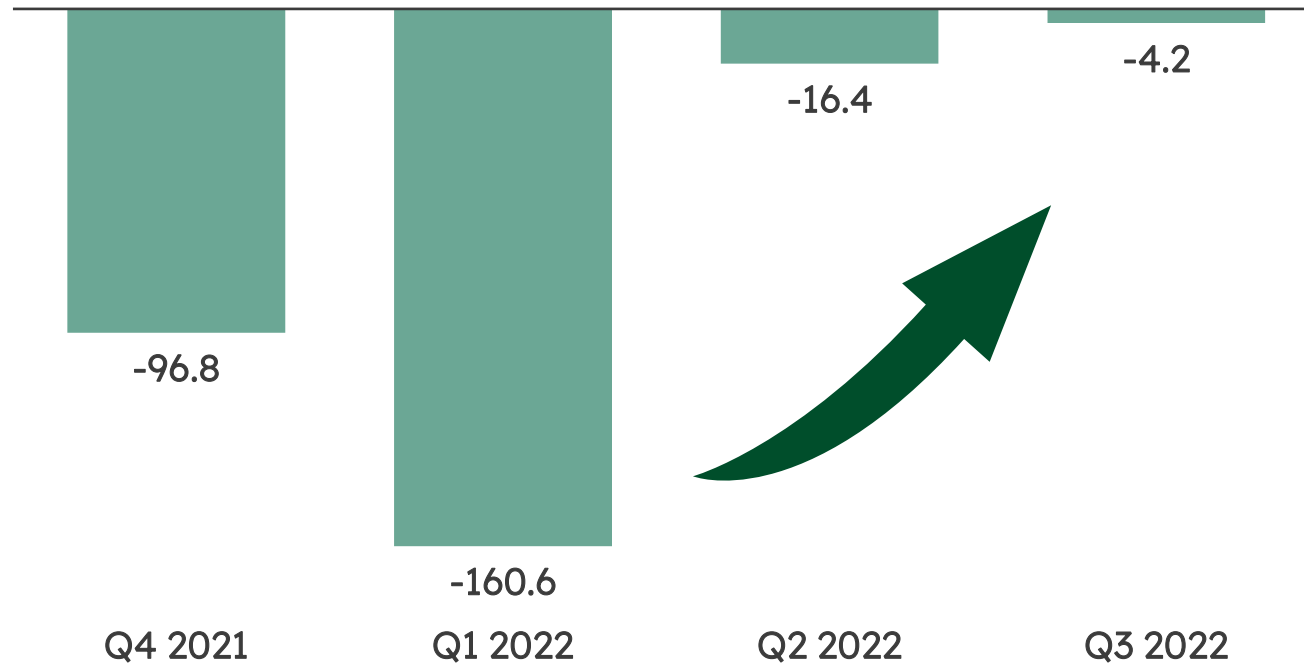


Q3 EBITDA bridge [m€]



Price over cost

Quarterly price over cost development vs. previous year (m€)

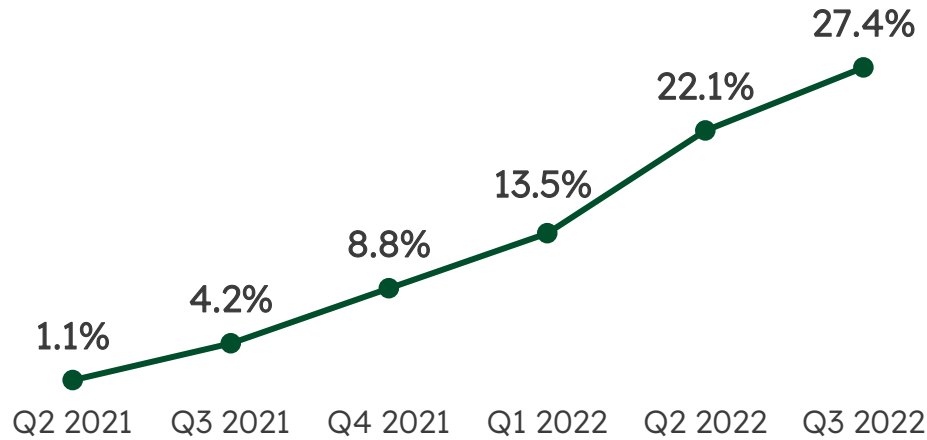


- Positive trend continues, despite on-going volatility in energy prices.
- Commercial excellence program clearly pays-off.
- Successfully implemented customer excellence program and current forward/spot energy prices give us confidence to further improve price over cost in the upcoming quarters.

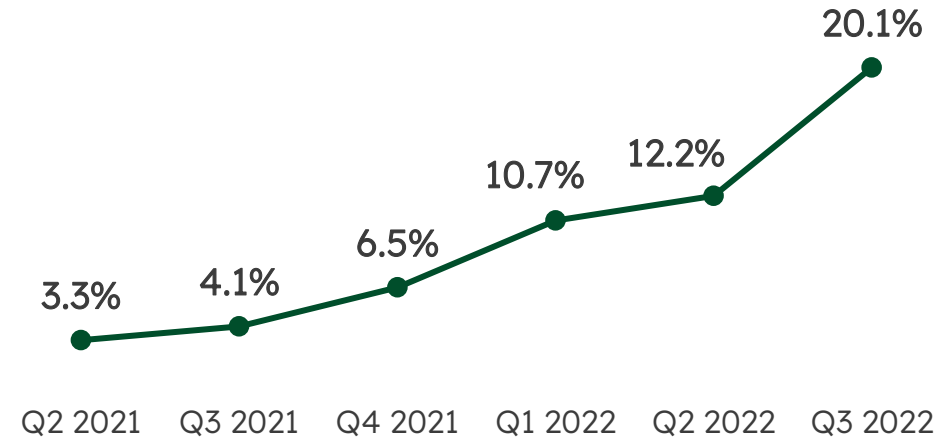


Commercial Excellence Program

Domestic cement price increase (vs. prior year)



Aggregates price increase (vs. prior year)



Target was upgraded from 350 million € to 2 billion € in June

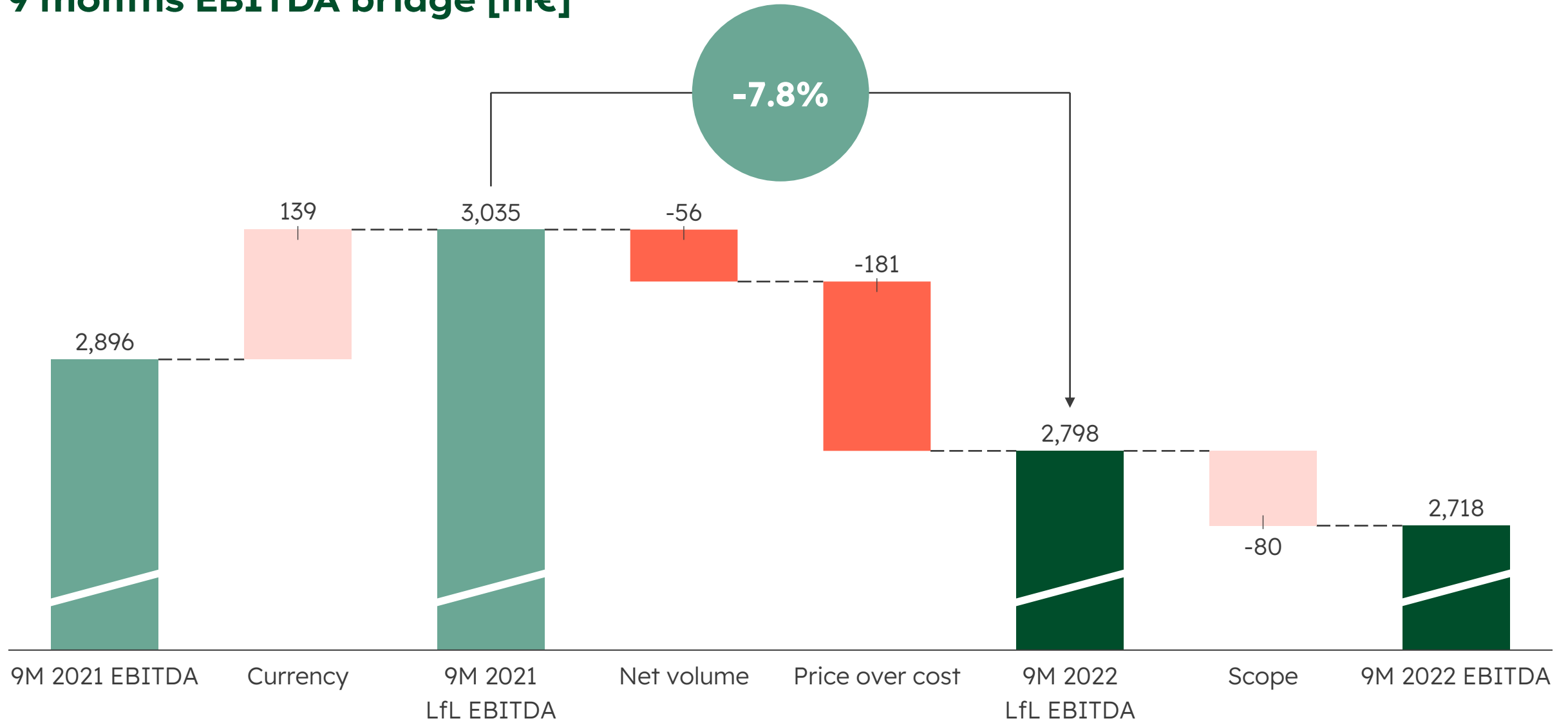
New target: Clearly above 2 billion €*

1.6 billion € already secured

* Above normal price inflation of 2% p.a.



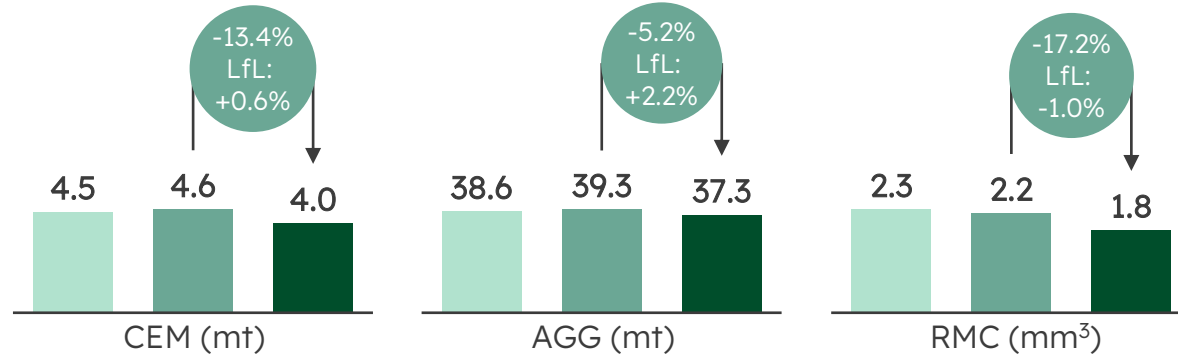
9 months EBITDA bridge [m€]



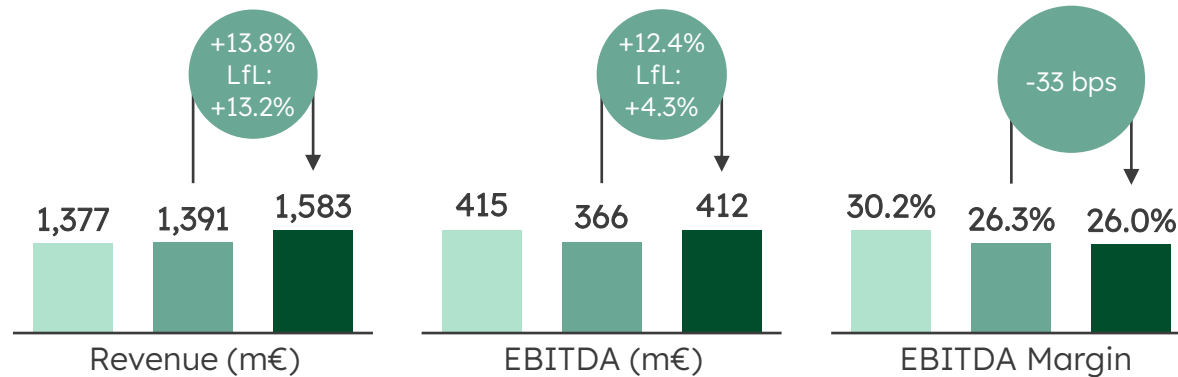
North America



Sales volumes



Operating result



North America

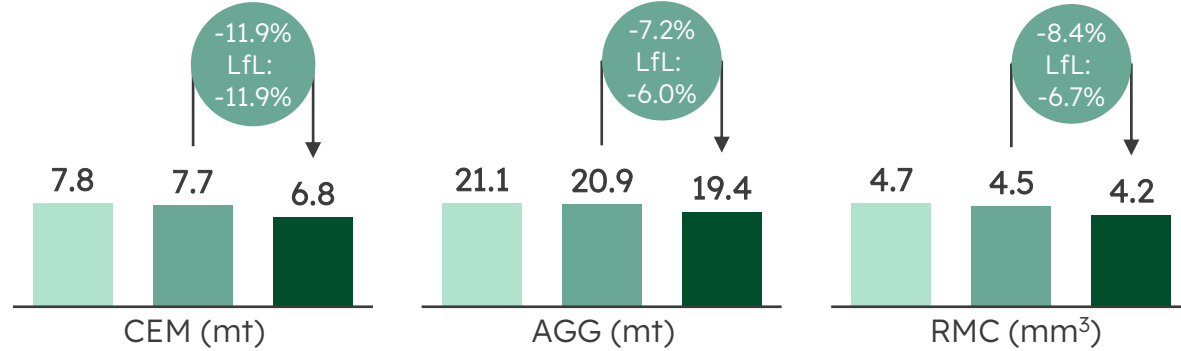
- Solid volume development with healthy orderbooks across all business lines and regions.
- Accelerated pricing momentum drive strong revenue growth and positive result development; Q3 EBITDA up 4.3% (LfL).
- Stable margin development despite continued high costs inflation, increased import costs and tight labor market.



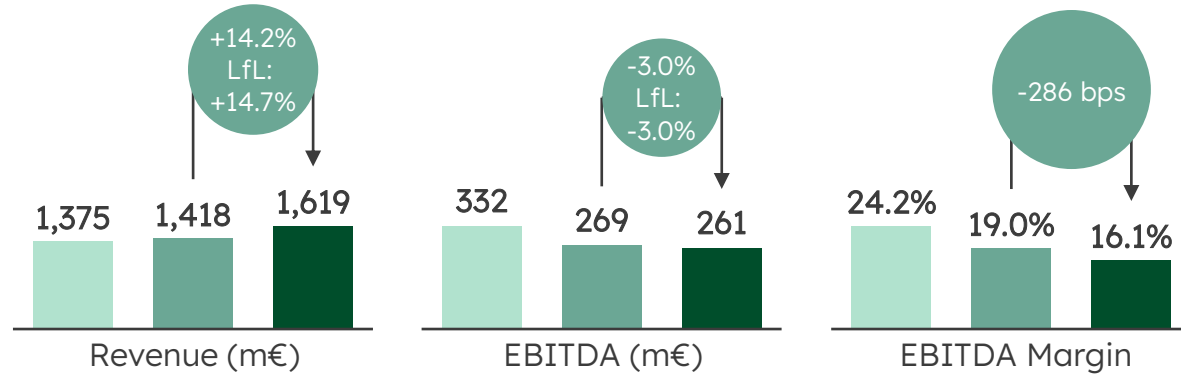
Western & Southern Europe



Sales volumes



Operating result



Western & Southern Europe

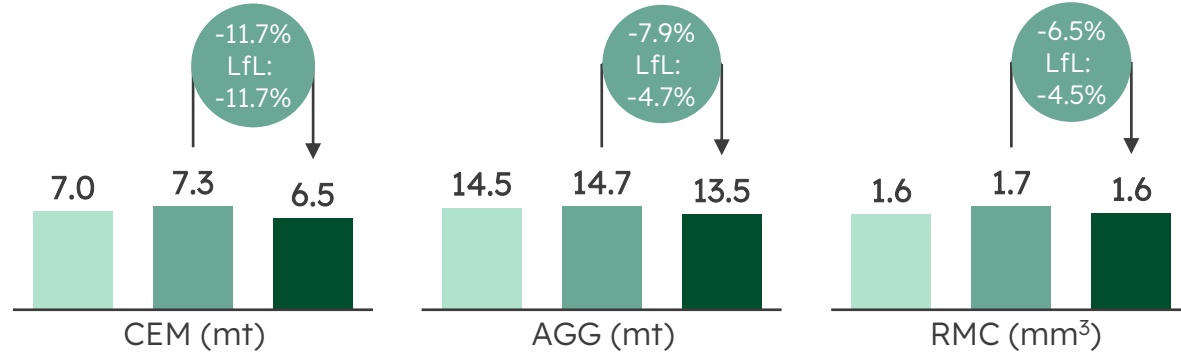
- Demand pressure across the region as a result of slow-down in markets.
- Strong pricing compensates cost inflation.
- Very volatile energy cost increases in the quarter impact the margin, against a very strong comparison base.



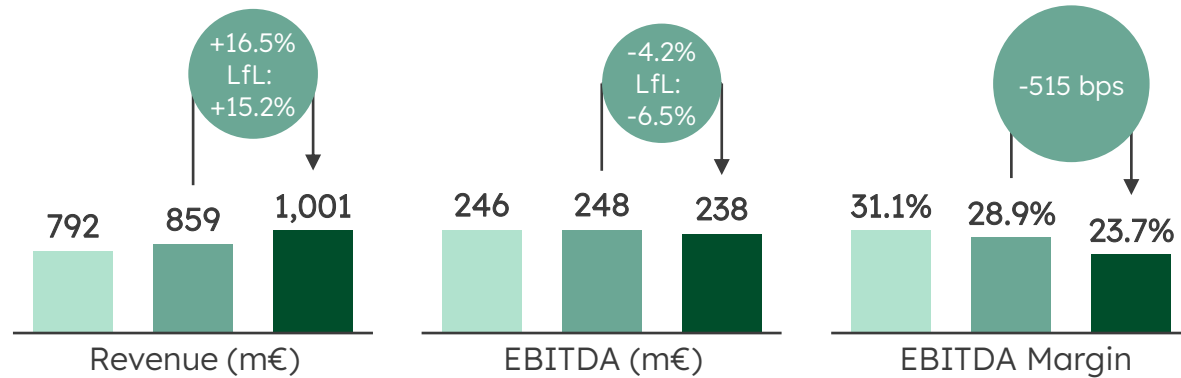
Northern & Eastern Europe - Central Asia



Sales volumes



Operating result



Northern & Eastern Europe - Central Asia

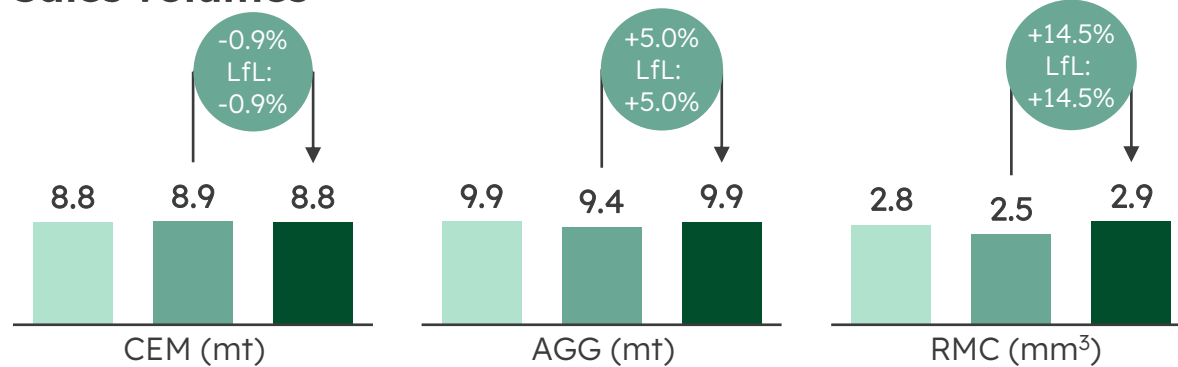
- Volume decline as a result of weaker demand in most regions.
- Improving price over cost trend, EBITDA in the quarter is below prior year as a result of demand pressure.
- EBITDA margin deterioration due to exceptionally high electricity cost and lower sales volumes.



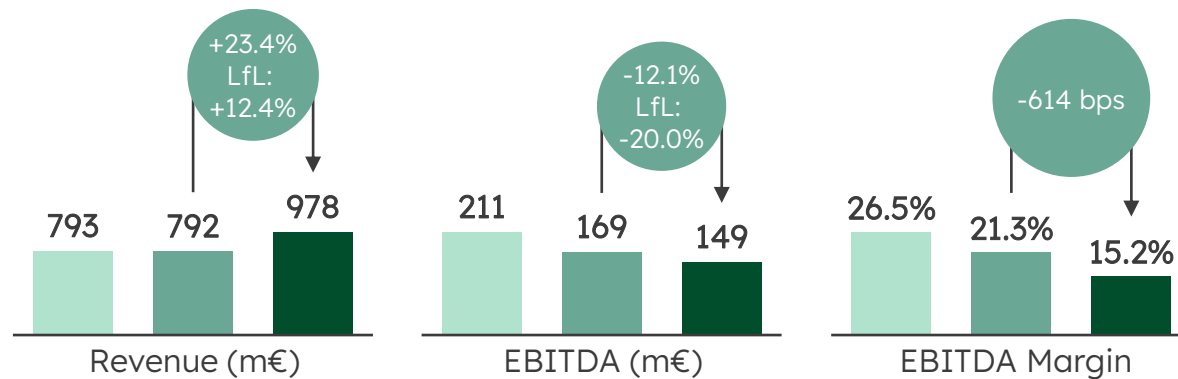
Asia - Pacific



Sales volumes



Operating result



Asia - Pacific

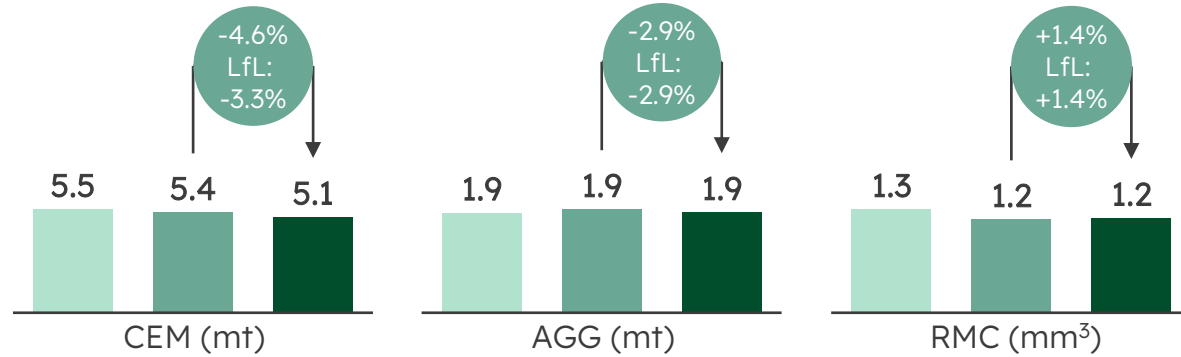
- Positive cement demand in Indonesia and Thailand compensates the volume decline in India.
- Positive pricing across all countries is not enough to compensate significant cost inflation.
- Clear positive change in momentum in Indonesia, driven by demand improvement and strong pricing.



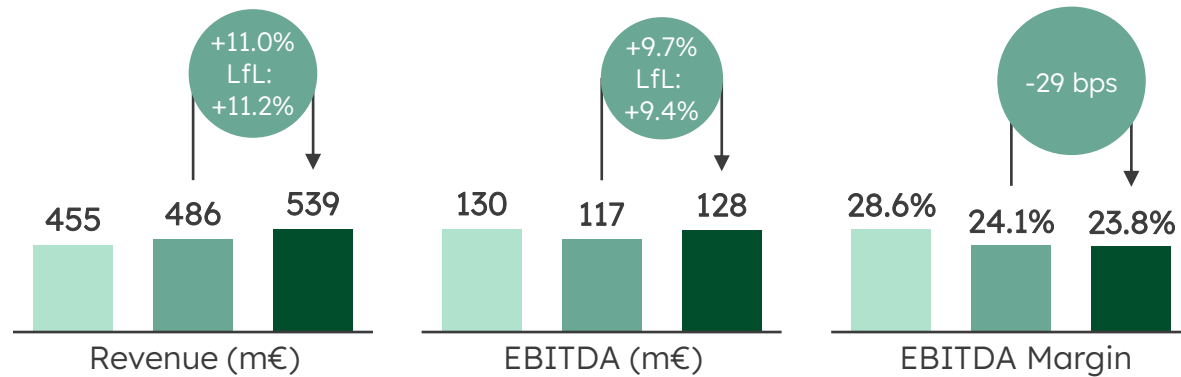
Africa – Eastern Mediterranean Basin



Sales volumes



Operating result



Africa – Eastern Mediterranean Basin

- Strong revenue and EBITDA performance versus 2021.
- Stable margin development in a challenging high inflation environment.
- Cost inflation from global situation mostly offset by price adjustments.



Financial highlights

- Free cash flow for the quarter is ahead of previous year, despite continuing backswing in working capital.
- Leverage at a very comfortable level; net debt 0.7 billion EUR below prior year.
- Second tranche of share buyback program finalized ahead of planned schedule.
- Total shareholder return for the last 12 months reaches 1.2 billion EUR.





We have been actively supporting SBTi's efforts to develop a 1.5°C roadmap and impactful criteria for the cement industry. With the industry's most ambitious CO₂ reduction targets and a steadily growing portfolio of CCUS projects, we are eager to continue leading the way.



- Most challenging scope 1 carbon reduction target in the cement sector (400kg CO₂/t of cementitious material by 2030)
 - Eight CCUS projects launched
- Big steps forward to achieve

Net Zero



Strengthening CCS on our way to the most sustainable product portfolio

Mitchell, Indiana



- Carbon capture proposal for Mitchell plant to capture 2mt or 95% p.a. of plant's CO₂ emissions, our largest carbon capture project to date
- Funding of 3.7 m\$ for FEED study granted by U.S. Department of Energy which – in a first step - will evaluate the cost and performance of the entire project.
- Overall, new plant combines 4 kilns to a total capacity of ~2.6mt cement with features to minimise energy consumption and enable the utilisation of alternative fuels and raw materials.

LEILAC technology



- Signing of a global licensing agreement with technology company Leilac, a subsidiary of Calix, lays the foundation for further scale-up of the joint CCUS activities.
- LEILAC technology provides a highly efficient, low-cost capture solution for unavoidable CO₂ process emissions in cement manufacturing.
- Further step to ensure the transition to net zero that balances social, economic, and environmental sustainability.

As a basis: Traditional CO₂ reduction levers further accelerated



Scaling circularity



- Acquisition of JEV Recycling, Inc., a recycler of concrete and asphalt with a large facility
 - Strengthened portfolio of circular materials serves growing demand for sustainable materials
- Newly added concrete recycling plant in Redmond, Washington
 - Processing concrete rubble into recycled concrete aggregates
 - Branded as Revolve™, it will be used in ready mixed concrete and road building



Clear focus on pricing and cost efficiency

Business Outlook 2022



Demand growth in North America and emerging markets partly compensates weakness in Europe.



Strong pricing across all markets.



High inflation all around the world, especially significant electricity cost increase in Europe.



Guidance 2022

- Strong revenue growth
- Operating EBITDA: 3,625 m€ to 3,825m€
- RCO: 2,350 m€ to 2,550 m€
- Leverage between 1.5x to 2.0x
- Volatility of energy cost remains high





Appendix



Currency and scope impacts

Scope & Currency Quarter	Scope Impact on Volumes				Revenue		EBITDA		Operating EBIT (RCO)	
	CEM	AGG	RMC	ASP	Scope	Currency	Scope	Currency	Scope	Currency
North America	-647	-2,912	-354	-833	-227	209	-24	52	-25	39
West / South Europe	0	-248	-74	0	-7	0	0	0	0	0
North / East Europe	0	-466	-34	0	-4	13	0	6	0	4
Asia Pacific	0	0	0	0	6	72	1	16	0	11
Africa / Med. Basin	-70	0	0	0	-5	4	0	0	0	-1
Group Service & Other	0	0	0	0	0	0	-6	0	-6	0
Total GROUP	-716	-3,626	-463	-833	-237	298	-30	74	-31	54

Scope & Currency Year to Date	Scope Impact on Volumes				Revenue		EBITDA		Operating EBIT (RCO)	
	CEM	AGG	RMC	ASP	Scope	Currency	Scope	Currency	Scope	Currency
North America	-1,739	-7,524	-1,102	-2,036	-583	417	-69	93	-61	64
West / South Europe	0	-562	-160	0	-17	22	-2	3	-1	2
North / East Europe	0	-1,459	-111	0	-12	10	0	5	1	3
Asia Pacific	0	0	0	0	12	150	0	35	0	23
Africa / Med. Basin	-241	0	0	0	-16	24	-1	4	0	1
Group Service & Other	-76	0	0	0	-5	1	-9	0	-9	0
Total GROUP	-2,055	-9,545	-1,373	-2,036	-622	624	-80	139	-71	93



Sales volumes

Sales Volumes	Cement				Aggregates				Ready Mix				Asphalt			
	Quarter	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change
North America	4,606	3,990	-617	0.6%	39,346	37,302	-2,044	2.2%	2,184	1,808	-376	-1.0%	1,825	992	-834	-0.1%
West / South Europe	7,668	6,756	-912	-11.9%	20,944	19,441	-1,504	-6.0%	4,537	4,157	-379	-6.7%	958	1,023	66	6.8%
North / East Europe	7,340	6,483	-857	-11.7%	14,653	13,491	-1,162	-4.7%	1,727	1,616	-112	-4.5%	0	0	0	0.0%
Asia Pacific	8,874	8,794	-80	-0.9%	9,436	9,912	476	5.0%	2,547	2,916	368	14.5%	515	522	7	1.4%
Africa / Med. Basin	5,360	5,113	-248	-3.3%	1,941	1,886	-55	-2.9%	1,202	1,219	17	1.4%	69	86	17	24.9%
Group Service & Other	0	0	0	-	0	0	0	-	0	0	0	-	0	0	0	-
Total GROUP	33,850	31,135	-2,715	-5.9%	86,320	82,032	-4,288	-0.8%	12,197	11,715	-482	-0.2%	3,367	2,623	-744	2.6%

Sales Volumes	Cement				Aggregates				Ready Mix				Asphalt			
	Year to Date	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change
North America	12,176	10,324	-1,852	-0.9%	97,633	92,984	-4,649	2.9%	5,965	4,658	-1,307	-3.4%	3,795	1,754	-2,041	-0.1%
West / South Europe	23,000	21,215	-1,785	-7.8%	64,379	60,146	-4,232	-5.7%	13,693	13,022	-672	-3.7%	2,773	2,761	-12	-0.4%
North / East Europe	18,895	17,383	-1,512	-8.0%	36,949	35,685	-1,263	0.5%	4,664	4,549	-115	-0.1%	0	0	0	0.0%
Asia Pacific	25,710	25,605	-105	-0.4%	26,661	28,933	2,273	8.5%	7,692	8,215	523	6.8%	1,450	1,501	51	3.5%
Africa / Med. Basin	15,808	15,455	-354	-0.7%	5,659	5,647	-12	-0.2%	3,685	3,726	41	1.1%	190	199	9	5.0%
Group Service & Other	76	-9	-85	-	0	99	99	-	0	0	0	-	0	0	0	-
Total GROUP	95,666	89,974	-5,692	-3.8%	231,280	223,496	-7,785	0.8%	35,699	34,170	-1,529	-0.4%	8,208	6,215	-1,993	0.5%



Operational result

Operating Result Quarter (m€)	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change	LfL	Q3 21	Q3 22	Change	LfL
North America	1,391	1,583	13.8%	13.2%	366	412	12.4%	4.3%	26.3%	26.0%	-33 bps	-206 bps	291	326	12.3%	6.7%
West / South Europe	1,418	1,619	14.2%	14.7%	269	261	-3.0%	-3.0%	19.0%	16.1%	-286 bps	-294 bps	177	173	-1.9%	-2.1%
North / East Europe	859	1,001	16.5%	15.2%	248	238	-4.2%	-6.5%	28.9%	23.7%	-515 bps	-549 bps	200	189	-5.4%	-7.5%
Asia Pacific	792	978	23.4%	12.4%	169	149	-12.1%	-20.0%	21.3%	15.2%	-614 bps	-616 bps	112	85	-24.4%	-31.2%
Africa / Med. Basin	486	539	11.0%	11.2%	117	128	9.7%	9.4%	24.1%	23.8%	-29 bps	-38 bps	90	101	11.6%	12.1%
Group Service & Other	113	131	16.6%	-	7	7	-2.1%	-	6.1%	5.1%	-98 bps	-	-1	0	-	-
Total GROUP	5,058	5,852	15.7%	13.7%	1,176	1,193	1.5%	-2.1%	23.2%	20.4%	-285 bps	-325 bps	869	874	0.6%	-1.9%

Operating Result Year to Date (m€)	Revenue				Operating EBITDA				Operating EBITDA Margin				Operating EBIT (RCO)			
	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change	LfL	Sep 21	Sep 22	Change	LfL
North America	3,509	3,681	4.9%	8.6%	781	722	-7.6%	-9.5%	22.2%	19.6%	-264 bps	-370 bps	538	479	-10.9%	-10.2%
West / South Europe	4,185	4,774	14.1%	13.9%	700	677	-3.3%	-3.5%	16.7%	14.2%	-255 bps	-254 bps	418	414	-1.0%	-1.3%
North / East Europe	2,297	2,670	16.2%	16.3%	570	532	-6.7%	-7.6%	24.8%	19.9%	-490 bps	-511 bps	427	386	-9.7%	-10.5%
Asia Pacific	2,313	2,688	16.2%	8.6%	489	396	-18.9%	-24.3%	21.1%	14.7%	-638 bps	-644 bps	313	212	-32.3%	-36.9%
Africa / Med. Basin	1,389	1,576	13.4%	12.6%	360	380	5.6%	4.7%	25.9%	24.1%	-178 bps	-181 bps	281	298	6.2%	5.9%
Group Service & Other	304	414	36.2%	-	-3	11	-	-	-1.0%	2.8%	+381 bps	-	-25	-8	-69.3%	-
Total GROUP	13,996	15,802	12.9%	12.3%	2,896	2,718	-6.1%	-7.8%	20.7%	17.2%	-349 bps	-372 bps	1,953	1,782	-8.7%	-9.4%



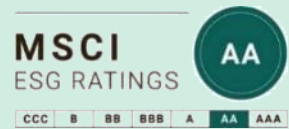
Continuous improvement in ratings and increased alignment

Ratings

Further improvement in 2022

MSCI

AA: Stable rating
for the 4th time



Sustainalytics

27.0 Medium Risk
improved from
28.6



VigeoEiris

63 pts up from 46
(out of 100 pts)

ESG OVERALL SCORE



CDP

**Top grade A “A-List
Climate Change”**
(stable since 2019)



ISS ESG

Prime Status C+
(stable since 2019)



Alignment with

Combined reporting in 2022 Annual Report



Financial Calendar & IR Contacts

Upcoming events:

2022 full year preliminary results: 23 Feb 2023

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Materials