2023 | Results

world of wienerberger

Key Performance Indicators

Earnings Data		2023	2022	Chg. in %	2021
Revenues	in MEUR	**4,224.3**	4,976.7	–15	3,971.3
Operating EBITDA [1]	in MEUR	**810.8**	1,020.9	–21	693.9
EBITDA	in MEUR	**783.3**	1,026.2	–24	694.3
Operating EBIT	in MEUR	**494.7**	739.6	–33	431.2
Impairment charges to assets	in MEUR	**–17.3**	–18.4	+6	0.0
Impairment charges to goodwill	in MEUR	**0.0**	0.0	0	–10.7
EBIT	in MEUR	**477.3**	721.2	–34	420.4
Profit before tax	in MEUR	**424.3**	688.3	–38	374.3
Profit after tax [2]	in MEUR	**334.4**	567.9	–41	310.7
Free cash flow [3]	in MEUR	**257.5**	597.7	–57	420.6
Maintenance Capex	in MEUR	**126.2**	134.7	–6	120.4
Special Capex	in MEUR	**145.4**	217.9	–33	159.4
ROCE	in %	**11.3**	18.1	–	12.2
Ø Employees	in FTE	**18,913**	19,078	–1	17,624

Balance Sheet Data		2023	2022	Chg. in %	2021
Equity [4]	in MEUR	**2,657.7**	2,450.4	+8	2,149.1
Net debt	in MEUR	**1,214.7**	1,079.3	+13	1,134.5
Capital employed	in MEUR	**3,822.5**	3,492.9	+9	3,248.1
Total assets	in MEUR	**5,468.6**	5,199.3	+5	4,903.8
Gearing	in %	**45.7**	44.0	–	52.8

Stock Exchange Data		2023	2022	Chg. in %	2021
Earnings per share	in EUR	**3.17**	5.17	–39	2.75
Adjusted earnings per share	in EUR	**3.33**	5.34	–38	2.84
Dividend per share	in EUR	**0.90**	0.90	0	0.75
Share price at end of period	in EUR	**30.22**	22.56	+34	32.34
Shares outstanding (weighted) [5]	in 1,000	**105,582**	109,884	–4	113,105
Market capitalization at end of period	in MEUR	**3,376.6**	2,520.7	+34	3,725.2

Operating Segments 2023 in MEUR and % [6]	Europe West		Europe East		North America		Group eliminations	wienerberger	
External Revenues	2,193.1	(-13%)	1,192.6	(-21%)	837.7	(-11%)		4,223.4	(-15%)
Revenues	2,220.4	(-13%)	1,227.4	(-21%)	843.1	(-11%)	–66.7	4,224.3	(-15%)
Operating EBITDA	377.9	(-11%)	219.7	(-41%)	213.2	(-4%)		810.8	(-21%)
EBITDA	347.0	(-18%)	216.6	(-42%)	219.8	(-3%)		783.3	(-24%)
EBIT	168.7	(-34%)	127.5	(-54%)	181.1	(-3%)		477.3	(-34%)
Total investments	122.4	(-33%)	103.9	(-12%)	45.2	(-12%)		271.6	(-23%)
Capital employed	2,216.8	(+11%)	1,060.5	(+14%)	545.3	(-4%)		3,822.5	(+9%)
Ø Employees (in FTE)	9,059	(-1%)	7,503	(+0%)	2,351	(-3%)		18,913	(-1%)

1) Adjusted for effects from sale of non-core assets as well as structural adjustments // 2) Attributable to equity holders of the parent company // 3) Cash flow from operating activities less cash flow from investing activities and cash outflows from the repayment of lease liabilities plus special capex and net payments made for the acquisition of companies // 4) Equity including non controlling interests // 5) Adjusted for treasury stock // 6) Changes in % to the comparable prior year period are shown in brackets // Explanatory notes to the report: Rounding differences may arise from automatic processing of data

CONTENT

Our Commitment to Sustainability

Sustainability has always been an integral part of wienerberger's strategy. We have always considered it our responsibility to ensure that future generations can enjoy the highest possible quality of life. To accomplish this goal, we are committed to the fight against climate change and will do our part to realize the targets of the European Green Deal to reach net-zero emissions by 2050: By 2050, our operations will be climate-neutral.

To achieve this, we implemented in 2020 the Sustainability Program 2020 – 2023. The program outlined clear targets on the most material aspects of our business. Our sustainable development accelerated as a result, and we were able to differentiate ourselves by integrating compelling new elements like circularity and biodiversity targets. We have, in the last three years, succeeded in achieving all the targets from the Sustainability Program 2023.

2023 Targets

Sustainability Program 2026: Shaping our sustainable future

As we continue to innovate and improve our impact on the people and the planet, we are proud to introduce the wienerberger Sustainability Program 2023 – 2026 which is an extension of the Sustainability Program 2023. In the Sustainability Program 2026, we are setting ourselves new and even more ambitious targets that provide further and even more demanding projects. This demonstrates the innovative strength of all of us within the group, which we can confidently rely on in the years to come.

The Sustainability Program 2026 extends the environmental and social topics, leveraging our sustainability targets to sustainable growth, both within our internal processes as well as contributing solutions for zero emission buildings and climate resilience. It provides the right strategic and operational focus for the sustainable development of our business.

EXPANSION OF CURRENT SUSTAINABILITY PROGRAM UNTIL 2026

2026 Targets

Our Social Targets 2026

At wienerberger we put people first: We remain humble and embrace differences, we lead by example and act as advocates for diversity and inclusion and we offer our employees a safe, attractive working environment with development opportunities. But our commitment extends far beyond our colleagues at work. Because our solutions are developed by people, for people, we act in the interests of our customers, our partners, our staff and society as a whole. Within the framework of our social projects, we create housing and decent living conditions for people in need, above all in the countries we operate in. This is reflected in our 2026 social targets: they encompass initiatives to improve employee safety and well-being, to enhance training and development as well as diversity and inclusion.

Our 2026 Environmental Targets

The 2026 environmental targets refer to specific objectives and goals set by wienerberger for the year 2026, aimed at reducing our company's environmental impact and promoting sustainability. These targets include reducing greenhouse gas emissions, minimizing resource consumption, and enhancing ecofriendly practices across the organization.

CEO Letter

Dear Shareholders,

in an extremely volatile and challenging economic environment marked by high interest rates and high inflation, we are looking back on the 2023 business year in a positive light. With total revenues of € 4,224 million and operating EBITDA of € 811 million generated in 2023, wienerberger not only outperformed its end markets, but also met the expectations placed in the company.

This very satisfactory result was achieved, above all, through the strong performance of wienerberger's business in pipes for energy and water management and in renovation, whereas the new-build segment trended downward, especially in Europe. North America proved to be more resilient and delivered a solid contribution to earnings.

Responding rapidly to these developments, we adapted our entire cost management process, which proved to be a major factor of our success. Moreover, our time-tested program aimed at earnings growth and efficiency enhancement contributed a substantial € 46 million to the result. At the same time, technological optimization led to a decrease in energy consumption and, alongside cost savings, a sustainable reduction of CO_2 emissions.

At wienerberger, we have learned how to swiftly reposition ourselves, step up the pace of innovation, and optimize costs. The sound results of the 2023 business year once again demonstrate the resilience of wienerberger's sustainable and diversified business model.

Sustainability has always been an integral part of wienerberger's corporate strategy and a strategic and operational priority of our corporate development. By proactively addressing the challenges of climate change and its consequences, wienerberger becomes part of the solution. Having met our targets for 2023, we have set even more ambitious ones for 2026: The new three-year Sustainability Program focuses on a broader range of environmental and social topics, with wienerberger's sustainability targets providing a basis for organic growth. This applies to both internal processes and the design of products for enhanced energy efficiency and climate resilience that benefit society as a whole.

Heimo Scheuch
Chairman of the Managing Bard
of Wienerberger AG
CEO

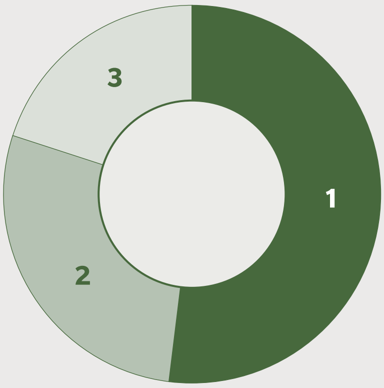
Financial Review

Earnings

The 2023 financial year was characterized by lower demand due to persistently high inflation and higher interest rates. Despite this challenging environment, wienerberger generated group-wide revenues of € 4,224 million (2022: € 4,977 million).

Revenues include consolidation effects amounting to € 59.2 million. Foreign-exchange effects accounted for a decrease in revenues by € -97.8 million, with the negative effects primarily due to the steep devaluation of the Turkish lira, as well as the Norwegian crown and the US dollar.

External Revenues by Segment



1	Europe West	52 %
2	Europe East	28 %
3	North America	20 %

Thanks to wienerberger's focus on efficient price and cost management, profitability remained high despite the difficult market environment, as is reflected in the operating EBITDA margin of 19.2% (2022: 20.5%).

EBITDA of € 783.3 million (2022: € 1,026.2 million) include contributions from the consolidation of acquired companies of € 5.6 million and negative foreign-currency effects of € -18.5 million. Operating EBITDA came to € 810.8 million (2022: 1,020.9 million).

To calculate operating EBITDA, income from the sale of non-operating assets of € 10.6 million was deducted and costs for structural adjustments of € -38.0 million were excluded.

EBITDA in MEUR	**2023**	**2022**	**Chg. in %**
Europe West	**347.0**	425.3	–18
Europe East	**216.6**	373.7	–42
North America	**219.8**	227.3	–3
wienerberger	**783.3**	**1,026.2**	**–24**

EBITDA Bridge in MEUR	2023	2022	Chg. in %
EBITDA	**783.3**	**1,026.2**	**–24**
Result from the sale of non-core assets	**–10.6**	–19.4	+45
Structural adjustments	**38.0**	14.1	>100
Operating EBITDA	**810.8**	**1,020.9**	**–21**

Scheduled depreciation and amortization on non-current assets amounted to € 287.0 million (2022: € 276.3 million). Impairment charges to assets and special write-downs of assets added up to a total of € 19.2 million (2022: 28.8 million). The challenging market environment was also reflected in the earnings before interest and tax (EBIT) reported for the 2023 business year, which at € 477.3 million fell short of the previous year's value of €721.2 million by 34%.

Profitability Ratios in %	2023	2022
Gross profit to revenues	**38.2**	39.1
Administrative expenses to revenues	**7.8**	6.6
Costs of sales to revenues	**18.5**	17.3
EBITDA margin	**18.5**	20.6
Operating EBITDA margin	**19.2**	20.5

Financial Result and Taxes

The financial result decreased from € -32.8 million in 2022 to € -53.0 million in the reporting year. The increase in relevant key interest rates resulted in higher interest expenses, which were compensated only in part by rising interest income.

Profit before tax dropped from € 688.3 million in the previous year to € 424.3 million in the reporting period. The group's income tax expense was reduced to € 89.2 million (2022: € 119.8 million), which corresponds to an effective tax rate of 21.0% (2022: 17.4%). The higher effective tax rate reflects the relatively greater decline in earnings in Eastern European countries, which are generally taxed at a lower rate.

The resultant profit after tax amounted to € 335.1 million (2022: € 568.5 million). After the deduction of € 0.8 million in income attributable to non-controlling interests (2022: € 0.6 million), the net profit amounted to € 334.4 million (2022: € 567.9 million). Earnings per share came to € 3.17 (2022: € 5.17).

Assets and Financial Position

As at 31/12/2023, wienerberger's total assets amounted to € 5,468.6 million, corresponding to a 5% increase over the previous year's value (31/12/2022: € 5,199.3 million). Non-current assets increased by 3% to € 3,368.2 million (31/12/2022: € 3,259.1 million), primarily as a result of additions from corporate acquisitions and strategic financial investments. Investments in non-current assets (maintenance & special capex) came to € 271.6 million (31/12/2022: 352.6 million).

Working capital (inventories + net trade receivables - net payables) increased by 24% to € 975.7 million (31/12/2022: € 789.6 million). The ratio of working capital to revenues rose to 23.1% (31/12/2022: 15.9%). The main drivers were the business-related decline in trade payables and the higher level of raw materials as at the reporting date.

In the reporting year, inventories increased by 11% from € 1,036.2 million to € 1,153.8 million, this being due to changes in both quantity (7%) and value (3%). In some regions, a comfortable level of inventories is being aimed at to ensure that customer requirements can be met at any time without interruption. Trade receivables decreased by 18% to € 306.8 million (31/12/2022: € 374.5 million).

The high level of cash and cash equivalents of € 414.1 million (up by 38% from 31/12/2022) is due, among other factors, to lower trade receivables and positive cash flow from financing activities.

Compared to 31/12/2022, the group's equity improved by 8% from € 2,450.4 million to € 2,657.7 million. Dividends of € 94.8 million were paid out in the reporting year. The group's equity was reduced by €16.4 million (31/12/2022: € 213.4 million) through the buyback and sale of own shares. Other comprehensive income had a negative impact of € 23.7 million on Group equity and includes significant effects from currency translation of € -16.6 million, changes in the valuation of the hedging reserve of € -9.1 million and actuarial gains of € 2.0 million.

Non-current employee-related provisions, particularly pension provisions, declined due to plan settlements by 6% to € 69.5 million (31/12/2022: € 73.9 million). In general, wienerberger does not enter into any new defined-benefit pension commitments and, if possible, converts existing commitments into defined-contribution commitments. As a result, pension provisions carried on the balance sheet show a steady downward trend, as commitments are either expiring or paid out. Other long-term provisions, mainly for warranties and the recultivation of depleted clay pits, did not change significantly compared to the previous year and came to € 103.5 million (31/12/2022: € 103.3 million).

Current provisions increased by 27% to a total of € 77.0 million (31/12/2022: € 60.8 million) primarily as a result of provisions set up for restructuring measures.

Interest-bearing debt (long-term and short-term financial liabilities) rose by € 249.0 million to € 1,701.2 million (31/12/2022: € 1,452.2 million), which was primarily attributable to the issuance of a sustainability-linked bond in the fourth quarter of 2023 (nominal value: € 350.0 million). Interest-bearing financial liabilities include liabilities to banks, bond holders, and other third parties in the amount of € 1,433.3 million (31/12/2022: € 1,198.4 million), derivatives to hedge foreign-currency risks with negative market values of € 2.4 million (31/12/2022: € 6.2 million), and lease liabilities of € 265.4 million (31/12/2022: € 247.6 million). These interest-bearing liabilities were offset by cash and cash equivalents, securities, and Intercompany receivables of € 486.5 million (31/12/2022: € 372.9 million), as well as committed but undrawn credit lines of € 950.0 million.

Calculation of Net Debt
in MEUR

	2023	2022	Chg. in %
Long-term interest-bearing financial liabilities	**1,071.8**	1,052.9	+2
Short-term interest-bearing financial liabilities	**363.9**	151.6	>100
Lease liabilities	**265.4**	247.6	+7
- Intercompany receivables and payables from financing	**–26.2**	–21.1	+24
- Securities and other financial assets	**–46.2**	–51.8	–11
- Cash and cash equivalents	**–414.1**	–300.0	–38
Net debt	**1,214.7**	**1,079.3**	**+13**

Of the total amount of € 1,435.7 million in financial liabilities (excluding lease liabilities), 75% (31/12/2022: 87%) was of a long-term and 25% (31/12/2022: 13%) of a short-term nature.

As at 31/12/2023, the group's net debt came to € 1,214.7 million, up by 13% from the previous year (31/12/2022: € 1,079.3 million). This corresponds to a gearing ratio of 45.7%, which is slightly above the previous year's value of 44.0%.

Balance Sheet Ratios		2023	2022
Capital employed	in MEUR	**3,822.5**	3,492.9
Net debt	in MEUR	**1,214.7**	1,079.3
Equity ratio	in %	**48.6**	47.1
Gearing	in %	**45.7**	44.0
Asset coverage	in %	**80.5**	76.8
Working capital to revenues	in %	**23.1**	15.9

Treasury

With a view to upcoming maturities in 2024 and to safeguard the financing of acquisition projects, significant financing steps were taken in 2023: The syndicated revolving credit line was increased from € 400.0 million to € 600.0 million, a bridge facility of € 350.0 million, undrawn as of the balance-sheet date, was established, and a sustainability-linked bond with a volume of € 350.0 million was placed on the capital market.

The acquisition projects and financial investments in a total of € 84.9 million and the share buyback program worth € 26.0 million were financed from current cash inflows. At the end of the business year, a solid liquidity reserve of € 1,364.1 million was available (comprising cash and cash equivalents of € 414.1 million and committed but undrawn credit lines of € 950.0 million).

Owing to the aforementioned financing steps and the higher level of interest, the group's (negative) net interest result increased by € 13.8 million from € -42.3 million in the previous year to € -56.1 million in the 2023 financial year.

Compared to the previous year, the debt repayment period (ratio of net debt to EBITDA) increased moderately from 1.1 to 1.6 years. This means that the ratio was within the target range of 1.5 to 2.0 as at the reporting date. After Moody's Rating Agency had already set the rating outlook for wienerberger to positive in May 2022, it upgraded the group's rating from Ba1 positive to Baa3 stable, i.e. to investment grade, in March 2023.

Treasury Ratios	31/12/2023	31/12/2022
Net debt/EBITDA	**1.6**	1.1
EBITDA/interest result	**14.0**	24.3

As at the balance-sheet date, 64% (2022: 76%) of the group's financial liabilities were fixed-interest-bearing, but without financial liabilities according to IFRS 16 Leases taken into account. Given the local character of wienerberger's business, foreign-exchange fluctuations are reflected primarily as translation risks and to a lesser extent as transaction risks. Subject to economic restrictions, translation risks (above-all from inter-group loans in foreign currencies) are hedged against exchange-rate fluctuations by means of interest-rate and cross-currency swaps. Most of the group's transaction risks are hedged through currency forwards.

Cashflow

Compared to the previous year, cash flow from operating activities decreased to € 410.0 million (2022: € 723.8 million). The main drivers are the € 269.9 million reduction in gross cash flow and the € 186.1 million build-up of working capital.

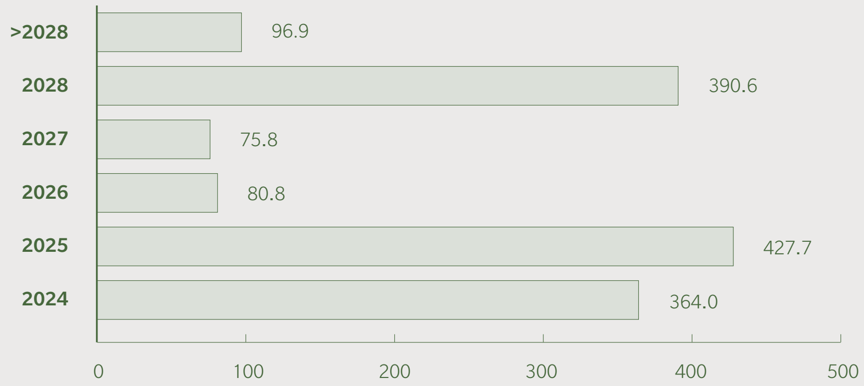
In the reporting year, cash flow from investing activities was primarily influenced by cash outflows for maintenance capex of € 126.2 million (2022: € 134.7 million) as well as discretionary growth investments and investments in ESG (special capex) in the amount of € 145.4 million (2022: € 217.9 million). A total of € 84.9 million (2022: € 52.4 million) was spent on acquisitions and strategic investments. Proceeds from the sale of assets were reduced by € 30.2 million compared to previous year. These effects resulted in a cash outflow for investing activities of € -323.0 million (2022: € 332.8 million).

Free cash flow was below the previous year's level and amounted to € 257.5 million (2022: € 597.7 million).

Cash flow from financing activities improved significantly from € -448.8 million in the previous year to € 38.8 million in 2023. The improvement was due, above all, to newly contracted long-term financial liabilities of € 346.2 million, net cash outflows in short-term financial liabilities in the amount of € -126.9 million, dividend payments of € -94.8 million as well as a significant decrease in share buy-back activities (€ -26.0 million compared to € -213.4 million in the same period of the previous year).

Altogether, cash flow was positive at € 125.8 million (2022: € -57.8 million), resulting in year-end cash and cash equivalents of € 423.5 million (31/12/2022: € 306.5 million), after foreign-exchange effects.

Maturity structure of interest-bearing financial liabilities (excl. leases) in MEUR

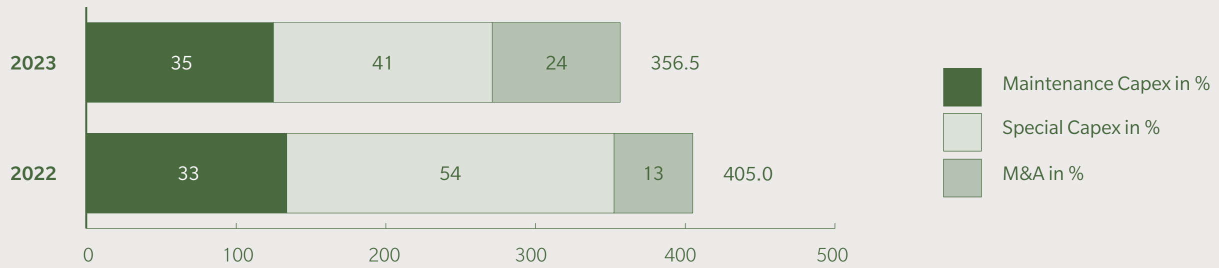


Cash Flow Statement in MEUR	**2023**	**2022**	**Chg. in %**
Gross cash flow	**608.5**	**878.4**	**–31**
Change in working capital and other	**–198.5**	–154.6	–28
Cash flow from operating activities	**410.0**	**723.8**	**–43**
Maintenance capex	**–126.2**	–134.7	+6
Special capex	**–145.4**	–217.9	+33
M&A	**–84.9**	–52.4	–62
Divestments and other	**33.5**	72.2	–54
Cash flow from investing activities	**–323.0**	**–332.8**	**+3**
Special capex and M&A	**230.3**	270.3	–15
Lease payments	**–59.7**	–63.6	+6
Free cash flow	**257.5**	**597.7**	**–57**

Investments

In 2023, maintenance investments required to keep the company's operations running accounted for € 126.2 million (2022: € 134.7 million). Discretionary growth investments (e.g. plant enlargements and optimization measures aimed at enhanced production efficiency) and investments in ESG (e.g. environment and sustainability projects, such as decarbonization, biodiversity, or circular economy) came to a total of € 145.4 million (2022: € 217.9 million).

Total investments and M&A in MEUR



A total of € 63.4 million (2022: € 52.4 million) was spent on corporate acquisitions. Through the acquisition of the Steinheim brick plant of Otto Bergmann GmbH, wienerberger's business in Poroton clay blocks with particularly high thermal insulation was further expanded. The acquisitions of the Komproment ApS Group and the Strøjer Group in Denmark contributed to a strategy of further growth in the facade segment in Region Europe West. By acquiring the Swedish technology specialist Wideco Sweden AG, wienerberger took yet another step toward enlarging its portfolio of energy and water management solutions. An additional amount of € 21.5 million (2022: € 0 million) was invested in other strategic participations, which brought the total of M&A capex in the reporting year up to € 84.9 million (2022: € 52.4 million).

Development of Non-current Assets in MEUR	Intangible	Tangible	Financial	Total
31/12/2022	**846.8**	**2,306.8**	**36.8**	**3,190.4**
Capital expenditure	13.3	258.3	21.5	**293.1**
Change in the scope of consolidation	43.5	45.4	0.0	**88.9**
Depreciation, amortization, and impairment charges	–43.4	–262.6	–2.2	**–308.2**
Disposals	–10.6	–28.0	–6.1	**–44.7**
Currency translation and other	5.3	89.7	–0.2	**94.8**
31/12/2023	**854.9**	**2,409.6**	**49.9**	**3,314.4**

Total Investments in MEUR	**2023**	**2022**	**Chg. in %**
Europe West	**122.4**	183.6	–33
Europe East	**103.9**	117.6	–12
North America	**45.2**	51.4	–12
wienerberger	**271.6**	**352.6**	**–23**

Of the total amount of investments in tangible and intangible assets in the reporting year, 45% was accounted for by Region Europe West, 38% by Region Europe East, and 17% by North America.

Operating Segments

Europe West

Europe West		2023	2022	Chg. in %
External Revenues	in MEUR	**2,193.1**	2,522.0	–13
Operating EBITDA	in MEUR	**377.9**	426.0	–11
EBITDA	in MEUR	**347.0**	425.3	–18
Operating EBITDA margin	in %	**17.2**	16.9	–

Region Europe West, which reports on our markets in Northern and Western Europe, provides system solutions for the entire building envelope (wall, façade, and roof), as well as for pavers, wastewater and rainwater disposal, sanitation, heating and cooling installations, and energy and water management. External revenues decreased by 13% from the previous year's level to € 2,193.1 million (2022: € 2,522.0 million). Operating EBITDA came to € 377.9 million (2022: € 426.0 million). In this difficult market environment, wienerberger succeeded in increasing its EBITDA margin by 0.3 percentage points to 17.2%.

2023 was marked by persistently high inflation and rising interest rates, which have stabilized at a high level since fall 2023. Given these macro-economic conditions, with several countries going into recession, construction activity slowed down in all sectors. In particular, demand weakened in the new build segment, most notably in Germany, whereas France, Belgium, and the Netherlands still recorded a satisfactory level of demand in the first half of the year. Our business in in-house pipes for energy and water management was not entirely immune to the negative trend in new build, but benefited from our enlarged product and customer portfolios, which generated higher added value and profitable growth in this segment. Demand for housing is higher now than it has been during the past 15 years. Owing to sluggish construction activity, an enormous backlog has built up in residential new build.

The renovation segment had a stabilizing effect across all regions. Supported by the growing importance of energy-efficient renovation, demand for our roofing solutions remained at a satisfactory level. In Belgium and France, in particular, legal provisions and government support for energy-efficient renovation had a positive impact on our performance.

In Great Britain and Ireland, synergies between the rainwater and drainage business of FloPlast and Cork Plastics, two companies taken over in 2021, helped to compensate for the challenges in the existing roofing business. In fact, the pipe business in Ireland and Great Britain even generated higher revenues and earnings than in the previous year. In infrastructure, high inflation had a dampening effect on the award of public contracts in almost all countries. At the same time, however, our growing market share in wastewater systems and our profitable growth in renovation had a positive impact on our performance. In Norway, the main contribution to profitable growth came from our international project business.

Confronted with fluctuating levels of demand in all our markets, we reacted swiftly with targeted cost management and capacity adjustments focused on a reduction in the number of shifts worked at our plants. Inflation-related increases in personnel and maintenance costs were only partly offset by lower raw material prices, but our efficiency-enhancement program again delivered satisfactory contributions to earnings. Thanks to these measures, we managed to maintain a high level of profitability.

The takeover of the Danish Strøjer Group in the second quarter of 2023, following the acquisition of Komproment ApS in the first quarter of the year, further broadened our sustainable range of innovative façade solutions and thus increased our market shares in the Nordic countries. The acquisition of Wideco Sweden, another transaction closed in the second quarter, enlarged our portfolio of energy and water management solutions in Scandinavia to include smart mobile applications and expertise in developing innovative Internet of Things (IoT) solutions. All our acquisitions delivered satisfactory contributions to earnings in the second half of the year.

Europe East[1]

Europe East		2023	2022	Chg. in %
External Revenues	in MEUR	**1,192.6**	1,508.6	–21
Operating EBITDA	in MEUR	**219.7**	371.8	–41
EBITDA	in MEUR	**216.6**	373.7	–42
Operating EBITDA margin	in %	**18.4**	24.6	–

Region Europe East provides solutions for the building envelope (wall and roof), wastewater and rainwater disposal, for sanitation, heating, and cooling installations, for energy, gas, and drinking water supply systems, as well as for pavers. In 2023, external revenues dropped by 21% to € 1,192.6 million (2022: € 1,508.6 million); operating EBITDA amounted to € 219.7 million (2022: € 371.8 million).

During the 2023 business year, our Eastern European core markets were marked by high inflation and high mortgage rates. Despite evidence of a slight downward trend in inflation and interest rates as of the second half of the year, the significantly diminished real purchasing power of the public sector and of private households had a negative impact on our end markets, with new build being hit most severely. Markets in South-Eastern Europe, with both revenues and earnings on the increase, were the only ones that did not follow the general trend. Given the growing need for housing, renovation, and the expansion of water networks, measures were taken to stimulate construction activities in individual countries, such as the Czech Republic and Poland. In the Czech Republic, for example, we set ourselves apart from our competitors in that we not only provide our various solutions, but also assist clients in their applications for government grants. Moreover, we successfully entered new fields of business with our photovoltaic solutions.

Demand in the infrastructure segment remained stable overall, but the implementation of numerous projects continued to be delayed because funding from the public budget was insufficient and commercial investment projects could not be financed. In Poland and Hungary, the disbursement of EU funding was partly delayed or denied altogether, which led to a notable drop in the number of infrastructure projects implemented in these markets. In contrast, however, we recorded consistently high demand for our innovative irrigation systems.

Our pipe business in the region Europe East was equally affected by weakening demand due to a lack of finance in both the private and public sectors. Many projects were postponed, most recently on account of the early onset of harsh winter weather. At the same time, the lower raw material prices had a beneficial effect on margins.

Confronted with weakening demand, we reacted swiftly with proactive cost management measures. We adjusted the production capacity of our plants by reducing the number of shifts and requiring workers to consume their unused vacations and take time off in lieu of accumulated hours of overtime. In production planning and the scheduling of mothballing, optimized capacity utilization of the remaining plants as well as their CO_2 emissions were taken into account. Thanks to the measures taken, wienerberger succeeded in maintaining a high level of profitability and keeping its market shares stable.

1) Including our business in the emerging markets

North America

North America		2023	2022	Chg. in %
External Revenues	in MEUR	**837.7**	944.8	–11
Operating EBITDA	in MEUR	**213.2**	223.1	–4
EBITDA	in MEUR	**219.8**	227.3	–3
Operating EBITDA margin	in %	**25.5**	23.6	–

The region North America provides ceramic façade as well as piping solutions on both residential and commercial construction projects. The pipe business offers solutions for sustainable water supply, rainwater sewage, and environmentally conscious wastewater disposal. In 2023, we recorded external revenues of € 837.7 million (2022: € 944.8 million) while operating EBITDA amounts to € 213.2 million (2022: € 223.1 million).

In this sluggish market environment wienerberger successfully increased market shares and operating EBITDA margin from 23.6% in 2022 to 25.5% in 2023, due to proactive cost and price management. In Canada we managed to significantly increase revenues and results.

The long-term demand for housing remains at a high level. Nevertheless, demand in new build was dampened by high interest rate levels throughout 2023. This was particularly evident in the case of new residential construction, where projects have slowed, due to affordability constraints.

The successful integration of Meridian Brick allowed for a quick realization of synergies, exceeding expectations. Overall, Meridian Brick made a significant contribution to strong earnings growth in our North American façade business. Increases in manufacturing costs due to inflation were offset by forward-looking cost and price management.

In the plastic pipe business, we saw significant improvement in demand in the second half of 2023. Strong margins were supported by a disciplined approach to pricing and project selection.

Financials of the Fourth Quarter of 2023

External revenues in MEUR	10–12/2023	10–12/2022	Chg. in %
Europe West	**487.4**	599.3	–19
Europe East	**259.0**	321.5	–19
North America	**191.9**	207.6	–8
wienerberger	**938.3**	**1,128.4**	**–17**

Operating EBITDA in MEUR	10–12/2023	10–12/2022	Chg. in %
Europe West	**59.2**	98.0	–40
Europe East	**41.5**	60.7	–32
North America	**44.9**	42.6	+5
wienerberger	**145.7**	**201.3**	**–28**

Europe West

In the fourth quarter of 2023, region Europe West generated external revenues of € 487.4 million (10-12/2022: € 599.3 million) and recorded operating EBITDA of € 59.2 million (10-12/2022: € 98.0 million). Most of our Western and Northern European markets saw a stabilization of inflation due to interest rate increases by the federal banks. Additionally, fourth-quarter demand in new build was further depressed by the early onset of unusually harsh winter weather in November. Although the downturn in renovation continued, demand for our products and solutions was relatively high. We therefore continued our focus on targeted cost management and capacity adjustments throughout the fourth quarter. In infrastructure, the fourth quarter continued to be marked by a stable demand curve. Nevertheless, thanks to cost-cutting measures and the further enlargement of our product portfolio we succeeded in maintaining a stable level of profitability.

Europe East

Compared to the previous year, external revenues of region Europe East declined to € 259.0 million (10-12/2022: € 321.5 million). At € 41.5 million, operating EBITDA fell short of the previous year's value (10-12/2022: € 60.7 million). Business performance in the fourth quarter of 2023 varied from country to country. Interest rates and inflation stabilized or began to trend downward, especially in the non-euro countries of Hungary and the Czech Republic. Although demand weakened under the impact of persistently high interest rates and high inflation throughout the region, it countinues to stabilize in the fourth quarter at a lower level. The early onset of harsh winter weather, especially in Poland, meant that construction activities had to be suspended relatively early this winter. In the countries of South-Eastern Europe we successfully generated growth in revenues and earnings in both building construction and the pipe business, outperforming the results achieved in the fourth quarter of the previous year. In response to the persistently unfavorable economic environment in the fourth quarter, we continued to adjust our production capacities and adopted stringent cost management measures.

North America

In the fourth quarter of the financial year, Region North America reported external revenues of € 191.9 million (10-12/2022: € 207.6 million) and an even increased operating EBITDA compared to the fourth quarter of € 44.9 million (10-12/2022: € 42.6 million). As interest rates remained elevated, seasonal demand remained soft in the fourth quarter of 2023 for façade business. Texas continued to outperform eastern markets. As in the third quarter, the pipe solutions business saw significant improving project demand in the US resulting in very satisfying profit contribution.

Outlook 2024

2024 will again be marked by geopolitical instability and major political changes, the impact of which on our end markets in Europe and North America is extremely difficult to assess. The fact that the central banks have not raised their key lending rates since the late fall of 2023 and the noticeably lower rates of inflation are grounds for a certain degree of optimism regarding a change of trend in our European end markets, particularly in the second half of 2024.

We expect the low level of construction activity seen in the fourth quarter of 2023 to persist in the first half of 2024, and therefore project that the performance of our end markets will be below the 2023 level in the first half of the year. Demand for housing remains high in all the countries we operate in. With sluggish new-build activity, this will lead to delays in execution and a backlog of projects. Looking ahead to the second half of 2024, we anticipate a stabilization of the situation or even a slight upswing in the residential new-build markets.

Compared to new build, we expect to see a more stable development in renovation and infrastructure. In the infrastructure segment, in particular, this assumption is supported by a further slight upturn of activities in 2024.

Success with Terreal

As regards the acquisition of Terreal, wienerberger has succeeded in obtaining all regulatory approvals without any major conditions imposed. The takeover of this successful European provider of innovative roofing and solar solutions will significantly expand our footprint in repair and renovation and position us as the leading European pitched-roof expert. Overall, the transaction covers almost 3,000 employees and 28 production sites and is expected to generate annual revenues of approximately € 740 million. We are confident that the transaction will be closed in the first quarter of 2024. Having started to prepare for the takeover already in 2023, we are poised to ensure the speedy and efficient integration of Terreal as soon as the transaction is finally closed.

Measures in 2024

In the field of ESG, we have set ourselves ambitious targets for the 2026 Sustainability Program and will start working on their achievement in 2024. Measures aimed at reducing CO_2 emissions, lowering our energy input, and developing further innovative and energy-efficient product solutions have already been initiated. Our cost-saving and optimization programs will be stepped up and are set to continue contributing to earnings growth in the future. Price increases in the range of 1 to 2% are to cover the anticipated cost inflation of 2 to 3%, and maintain our EBITDA margin at a high level of around 19%.

Based on these assumptions, we expect to generate EBITDA of between EUR 860 to 890 million in 2024, including contributions from the Terreal Group.

PRIMARY FINANCIAL STATEMENTS

(preliminary financial statements; condensed, unaudited)

Consolidated Income Statement

in TEUR	2023	2022
Revenues	4,224,340	4,976,732
Cost of goods sold	–2,611,733	–3,029,434
Gross Profit	1,612,607	**1,947,298**
Selling expenses	–783,222	–859,018
Administrative expenses	–330,594	–327,795
Other operating income		
Other	88,961	66,753
Other operating expenses		
Impairment charges to assets	–17,342	–18,389
Other	–93,101	–87,656
Operating profit/loss (EBIT)	477,309	**721,193**
Income from investments in associates and joint ventures	–337	6,563
Interest and similar income	20,172	6,234
Interest and similar expenses	–76,304	–48,495
Other financial result	3,483	2,851
Financial result	–52,986	**–32,847**
Profit/loss before tax	424,323	**688,346**
Income taxes	–89,208	–119,800
Profit/loss after tax	335,115	**568,546**
Thereof attributable to non-controlling interests	755	635
Thereof attributable to equity holders of the parent company	334,360	**567,911**
Earnings per share (in EUR)	3,17	5,17
Diluted earnings per share (in EUR)	3,17	**5,17**

Consolidated Statement of Comprehensive Income

in TEUR	2023	2022
Profit/loss after tax	**335,115**	**568,546**
Foreign exchange adjustments	**–16,590**	–14,478
Foreign exchange adjustments to investments in associates and joint ventures	**–45**	46
Changes in hedging reserves	**–9,058**	29,871
Items to be reclassified to profit or loss	**–25,693**	**15,439**
Actuarial gains/losses	**1,781**	8,354
Actuarial gains/losses from investments of associates and joint ventures	**177**	301
Items not to be reclassified to profit or loss	**1,958**	**8,655**
Other comprehensive income	**–23,735**	**24,094**
Total comprehensive income after tax	**311,380**	**592,640**
Thereof comprehensive income attributable to non-controlling interests	**696**	671
Thereof comprehensive income attributable to equity holders of the parent company	**310,684**	**591,969**

Consolidated Balance Sheet

in TEUR	2023	2022
Assets		
Intangible assets and goodwill	854,891	846,770
Property, plant and equipment	2,365,369	2,268,885
Investment property	44,233	37,921
Investments in associates and joint ventures	15,773	20,420
Other financial investments and non-current receivables	43,013	23,371
Deferred tax assets	44,919	61,754
Non-current assets	**3,368,198**	**3,259,121**
Inventories	1,153,763	1,036,211
Trade receivables	306,780	374,514
Receivables from current taxes	29,097	12,488
Other current receivables	98,631	120,865
Securities and other financial assets	72,406	72,896
Cash and cash equivalents	414,106	300,031
Current assets	**2,074,783**	**1,917,005**
Non-current assets held for sale	**25,605**	**23,131**
Total assets	**5,468,586**	**5,199,257**
Equity and liabilities		
Issued capital	111,732	111,732
Share premium	987,031	983,995
Retained earnings	1,921,571	1,677,900
Other reserves	–218,652	–194,977
Treasury shares	–146,247	–129,799
Controlling interests	**2,655,435**	**2,448,851**
Non-controlling interests	2,266	1,571
Equity	**2,657,701**	**2,450,422**
Deferred taxes	100,537	100,674
Employee-related provisions	69,468	73,869
Other non-current provisions	103,509	103,264
Long-term financial liabilities	1,274,574	1,245,062
Other non-current liabilities	23,313	15,508
Non-current provisions and liabilities	**1,571,401**	**1,538,377**
Current provisions	76,989	60,801
Payables for current taxes	30,593	49,636
Short-term financial liabilities	426,644	207,157
Trade payables	330,074	439,567
Other current liabilities	363,671	438,537
Current provisions and liabilities	**1,227,971**	**1,195,698**
Liabilities directly associated with assets held for sale	**11,513**	**14,760**
Total equity and liabilities	**5,468,586**	**5,199,257**

Consolidated Statement of Cash Flows

in TEUR	2023	2022
Profit/loss before tax	**424,323**	688,346
Depreciation and amortization	**286,791**	276,257
Impairment charges to assets and other valuation effects	**33,850**	49,508
Increase/decrease in non-current provisions	**–5,245**	–18,245
Income from investments in associates and joint ventures	**337**	–6,563
Gains/losses from the disposal of fixed and financial assets	**–13,194**	–26,145
Interest result	**56,132**	42,261
Interest paid	**–63,442**	–42,222
Interest received	**15,159**	2,776
Income taxes paid	**–115,370**	–91,364
Other non-cash income and expenses	**–10,887**	3,753
Gross cash flow	**608,454**	**878,362**
Increase/decrease in inventories	**–119,895**	–171,285
Increase/decrease in trade receivables	**69,895**	–34,242
Increase/decrease in trade payables	**–115,237**	19,934
Increase/decrease in other net current assets	**–33,264**	31,035
Cash flow from operating activities	**409,953**	**723,804**
Proceeds from the sale of assets (including financial assets)	**35,162**	65,428
Payments made for property, plant and equipment and intangible assets	**–271,590**	–352,573
Payments made for investments in financial assets	**–21,478**	0
Dividend payments from associates and joint ventures	**2,194**	3,216
Increase/decrease in securities and other financial assets	**–3,828**	–8,521
Net payments made for the acquisition of companies	**–63,415**	–52,447
Net proceeds from the sale of companies	**0**	12,100
Cash flow from investing activities	**–322,955**	**–332,797**
Cash inflows from the increase in short-term financial liabilities	**534,441**	116,732
Cash outflows from the repayment of short-term financial liabilities	**–661,315**	–220,016
Cash inflows from the increase in long-term financial liabilities	**346,229**	15,434
Cash outflows from the repayment of lease liabilities	**–59,731**	–63,627
Dividends paid by Wienerberger AG	**–94,848**	–83,871
Purchase of treasury shares	**–26,018**	–213,445
Cash flow from financing activities	**38,758**	**–448,793**
Change in cash and cash equivalents	**125,756**	**–57,786**
Effects of exchange rate fluctuations on cash held	**–8,720**	–64
Cash and cash equivalents at the beginning of the period	**306,457**	364,307
Cash and cash equivalents at the end of the period [1)]	**423,493**	**306,457**

1) Cash and cash equivalents of TEUR 9,387 were recognized in the consolidated balance sheet as non-current assets held for sale

Consolidated Statement of Changes in Equity

				Other reserves						
in TEUR	Issued capital	Share premium	Retained earnings	Actuarial gains/ losses	Hedging reserve	Currency translation	Treasury shares	Controlling interests	Non-controlling interests	Total
Balance on 31/12/2021	**115,188**	**1,069,751**	**1,189,703**	**–62,910**	**77,778**	**–233,903**	**–7,439**	**2,148,168**	**900**	**2,149,068**
Profit/loss after tax			567,911					**567,911**	635	**568,546**
Foreign exchange adjustments						–14,514		**–14,514**	36	**–14,478**
Foreign exchange adjustments to investments in associates and joint ventures						46		**46**		**46**
Changes in hedging reserves					29,871			**29,871**		**29,871**
Changes in other reserves				8,655				**8,655**		**8,655**
Other comprehensive income				8,655	29,871	–14,468		**24,058**	36	**24,094**
Total comprehensive income			**567,911**	**8,655**	**29,871**	**–14,468**		**591,969**	**671**	**592,640**
Dividend/hybrid coupon payment			–83,871					**–83,871**		**–83,871**
Effects from hyperinflation (IAS 29)			4,679					**4,679**		**4,679**
Changes in stock option plan		1,351						**1,351**		**1,351**
Purchase of treasury shares							–213,445	**–213,445**		**–213,445**
Retirement of treasury shares	–3,456	–87,107	–522				91,085	**0**		**0**
Balance on 31/12/2022	**111,732**	**983,995**	**1,677,900**	**–54,255**	**107,649**	**–248,371**	**–129,799**	**2,448,851**	**1,571**	**2,450,422**
Profit/loss after tax			334,360					**334,360**	755	**335,115**
Foreign exchange adjustments						–16,530		**–16,530**	–60	**–16,590**
Foreign exchange adjustments to investments in associates and joint ventures						–45		**–45**		**–45**
Changes in hedging reserves					–9,058			**–9,058**		**–9,058**
Changes in other reserves				1,958	0			**1,958**		**1,958**
Other comprehensive income				1,958	–9,058	–16,575		**–23,675**	–60	**–23,735**
Total comprehensive income			**334,360**	**1,958**	**–9,058**	**–16,575**		**310,685**	**695**	**311,380**
Dividend payment			–94,848					**–94,848**		**–94,848**
Effects from hyperinflation (IAS 29)			4,218					**4,218**		**4,218**
Changes in stock option plan		2,059						**2,059**		**2,059**
Purchase of treasury shares							–26,018	**–26,018**		**–26,018**
Sale of treasury shares		977	–59				9,570	**10,488**		**10,488**
Balance on 31/12/2023	**111,732**	**987,031**	**1,921,571**	**–52,297**	**98,591**	**–264,946**	**–146,247**	**2,655,435**	**2,266**	**2,657,701**

Financial Calendar

March 25, 2024	Publication of the 2023 Annual and Sustainability Report
April 25, 2024	*Start of the quiet period*
April 27, 2024	Record date for participation in the 155th Annual General Meeting
May 7, 2024	155th Annual General Meeting
May 10, 2024	Deduction of dividends for 2023 (ex-day)
May 13, 2024	Record date for 2023 dividends
May 15, 2024	Payment day for 2023 dividends
May 16, 2024	Results for the First Quarter of 2024
July 24, 2024	*Start of the quiet period*
August 14, 2024	Results for the First Half-Year of 2024
October 23, 2024	*Start of the quiet period*
November 12, 2024	Results for the First Three Quarters of 2024

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