

A background image showing a hand holding a large, grey concrete block above another open hand. The scene is set against a vibrant green, out-of-focus background. A semi-transparent green rectangle is overlaid on the left side of the image, containing the title text.

HeidelbergCement Capital Markets Story

Investor Relations

About HeidelbergCement

Our Concrete Promises

Our Targets



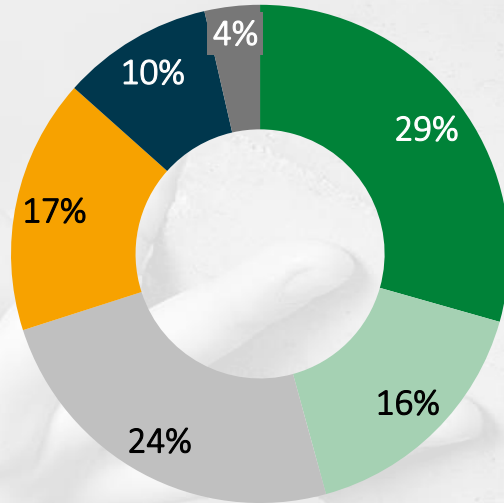
HeidelbergCement is one of the world's largest building materials companies



#2 in Aggregates; #2 in Ready-mixed concrete; #2 in Cement

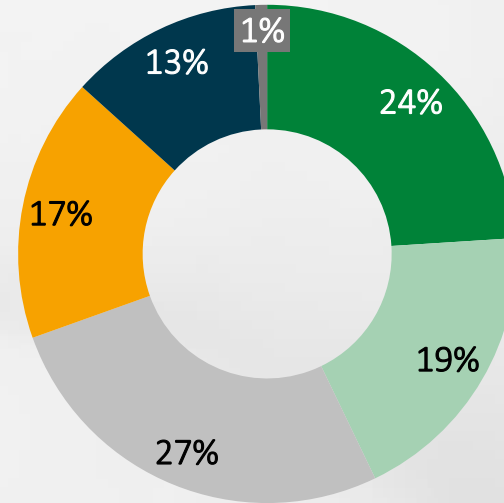
Diversified asset base with a balanced exposure to mature and emerging markets

FY 2021 Revenue split by region



FY 2021 Revenue:
€18,720m

FY 2021 Op. EBITDA split by region¹⁾



FY 2021 Op. EBITDA:
€3,875m

■ Western and Southern Europe
 ■ Northern and Eastern Europe - Central Asia
 ■ North America
 ■ Asia Pacific
 ■ Africa-Eastern Mediterranean Basin
 ■ Others²⁾

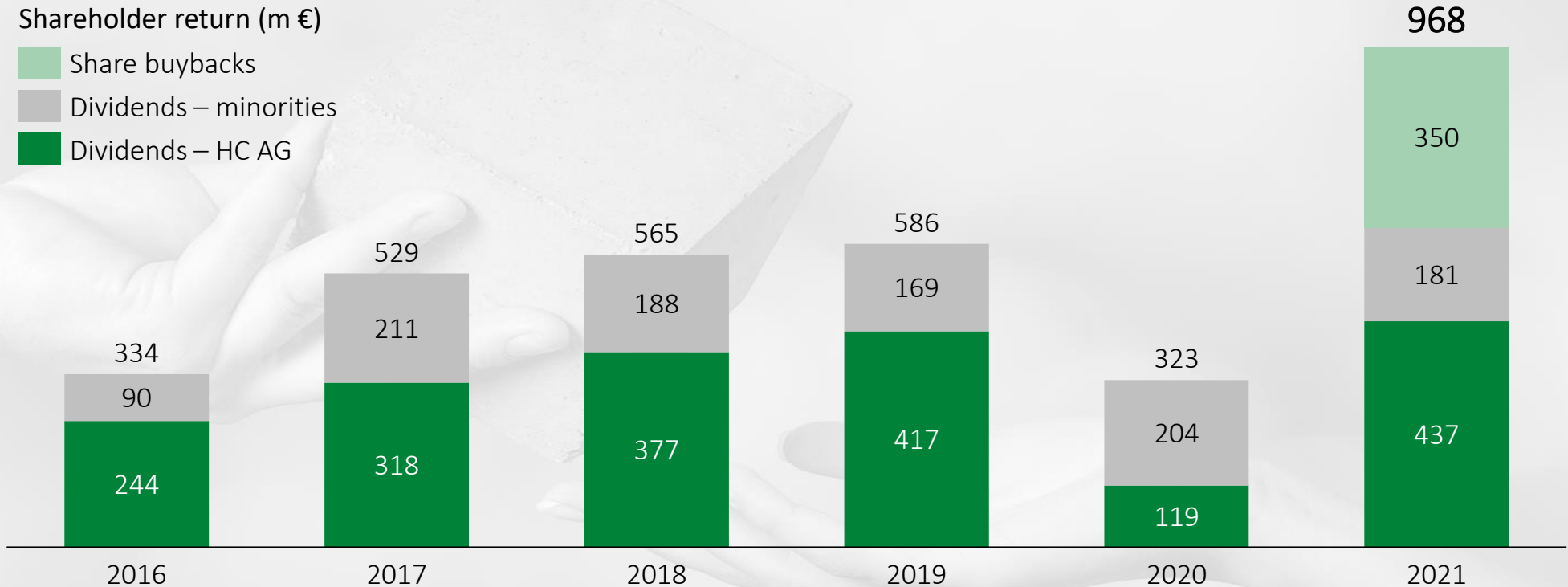
1) Excludes reconciliation; Figures may not add up to 100% due to rounding

2) Others primarily include Trading business, intragroup sales (only for revenues), JVs (only for Op. EBITDA) and other building product businesses





We are returning almost €1 billion to our shareholders

Shareholder return (m €)

- Share buybacks
- Dividends – minorities
- Dividends – HC AG



Today, HeidelbergCement is a stronger company than ever

				
Well-balanced geographic portfolio	Strong improvement in financial metrics	Leader in decarbonisation	Strong customer focus through digital offerings	Focus on shareholder returns
EU, NAM, EM equal exposure	ROIC: 9.3% in '21 vs. 6.5% in '19	10 mt CO ₂ reduction through CCUS by 2030*	>20,000 monthly active users 80% retention rate	€1 bn returned to shareholders in 2021

*Cumulative

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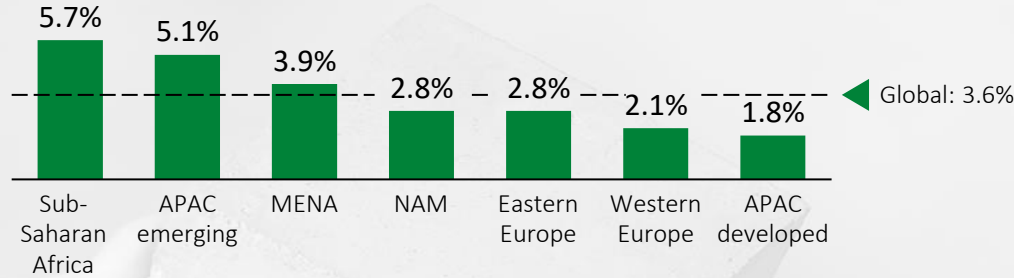


Our CONCRETE Promises

1. We focus on what we do best: heavy building materials.
2. We commit to generate 50% of our revenue from sustainable products by 2030.
3. We commit to reduce CO₂ emissions by almost 50% to 400 kg CO₂/t CEM by 2030.
4. We will make this transition a successful business case: on growth, margins, cash flow, ROIC, and leverage.
5. We drive the change for the benefit of our customers, our shareholders, our employees, and the society we live in.

Heavy building materials – an attractive sector with great prospects

Regional
construction
real growth
2021-2030^e



Infrastructure
packages in
key markets

Australia AU\$120 bn Infrastructure Investment Program	UK £337 bn National Infrastructure Investment
Europe €750 bn EU 'Recovery Fund'	USA \$1.2 tn Infrastructure Investment & Jobs Act

All segments with good growth potential:

- Infrastructure with a strong pipeline in key markets
- Residential demand continues to be strong
- Non-residential market to see good momentum on the back of e-commerce related projects

The background of the slide is a photograph of a building's exterior. It features a dense, multi-colored living wall with various shades of green and some reddish-purple plants. Several rectangular window frames are embedded in the wall, some of which are open, showing a glimpse of the interior. The sky is a pale, overcast blue.

Sustainable products are becoming
the **game changer** for profitable growth.

Regulatory changes and sustainability focus will be a big opportunity for us

1 Green procurement criteria create significant growth potential

- Strong demand for sustainable products and solutions on the back of green procurement criteria
- Sustainable products with price premium over traditional products

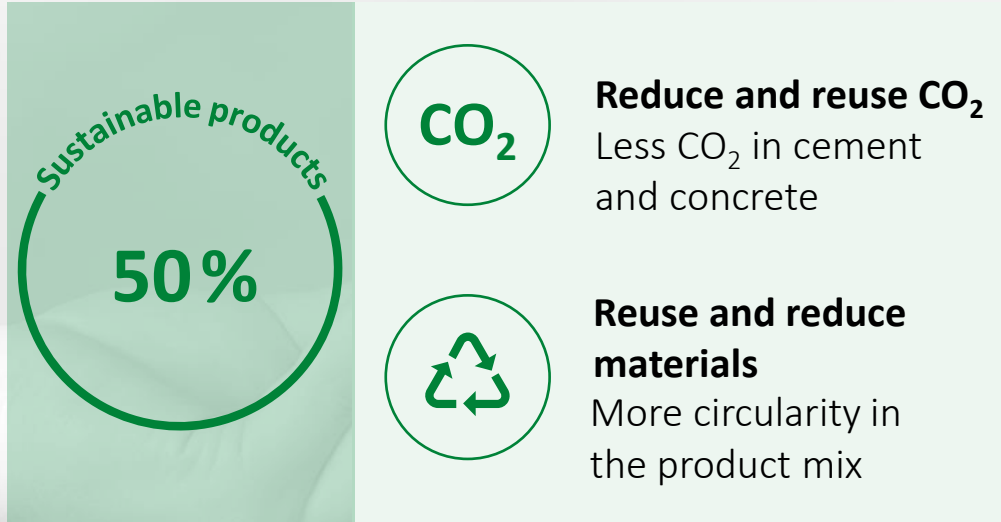
**Growth
opportunity**

2 Carbon regulation creates opportunity for early movers

- Highest incentive to change in Europe given carbon regulations – our European operations will become the blueprint
- Sustainable products with margin premium

**Margin
improvement
opportunity**

We commit to generate 50% of our revenue from sustainable products by 2030

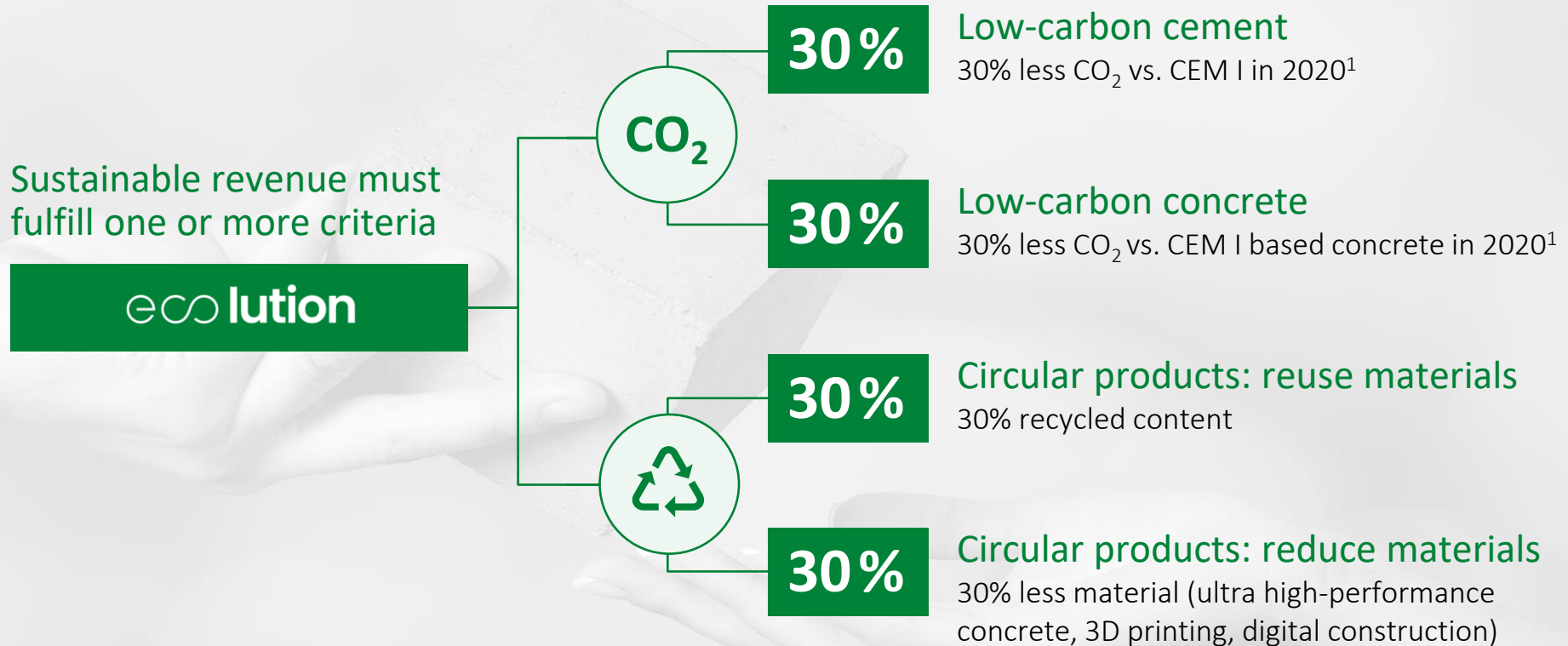


Commoditisation comes to an end:

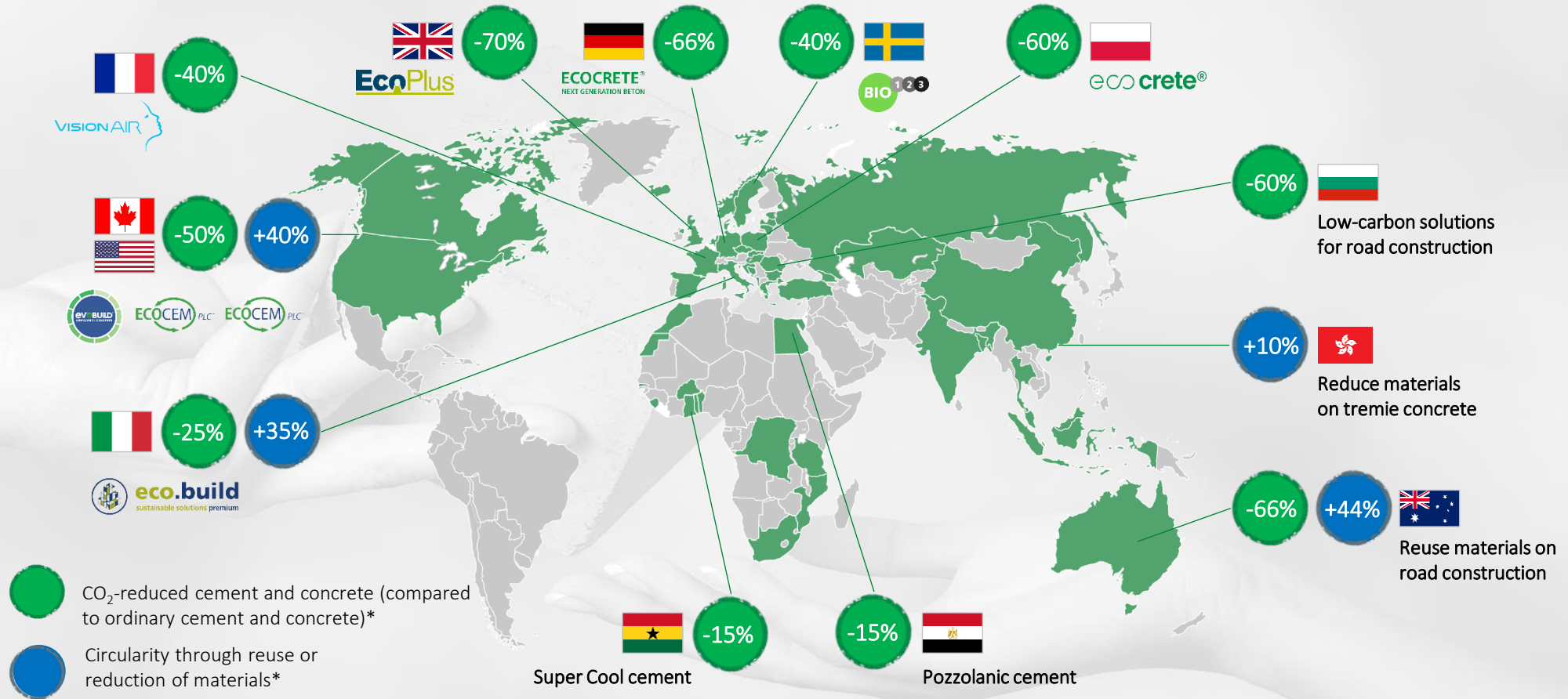
Sustainable product portfolio will be THE key differentiator!



Our ecolution programme creates the framework for sustainable product revenue



Customers benefit globally from our sustainable products and solutions



Many strong examples providing local, sustainable products

Cement



EcoCem substitutes clinker with sustainable alternatives while not compromising on functional attributes.



-50%

CO₂ reduction



Eco.build cement contains >35% recycled materials.



-25%

CO₂ reduction



EcoCrete provides a progressive sustainable product that is 100% recyclable and contains 100% local materials.



-60%

CO₂ reduction



Ecotera substitutes clinker up to 70% while maintaining or improving functional attributes.



-66%

CO₂ reduction

We will drive sustainable revenue to >50 % by 2030

The background image shows the interior of a massive conservatory, likely the Jewel Changi Airport. It features a complex, geometric glass and steel dome that allows natural light to filter through. Below the dome, a dense forest of tropical plants and trees fills the space. A prominent feature is a large, circular waterfall cascading into a pool of water. People can be seen walking on a bridge or path near the waterfall, providing a sense of scale. A green rectangular box is superimposed over the center of the image, containing white text.

**We will be the first to offer carbon-free
cement and concrete at scale.**

We set new standards with our upgraded CO₂ reduction target

We have the speed, knowledge, technology, and partners to lead this transition in the sector.

We are early movers and have a sustainable cost advantage with our CCUS project pipeline.

Carbon-free and carbon-reduced products will allow for differentiated customer offerings.

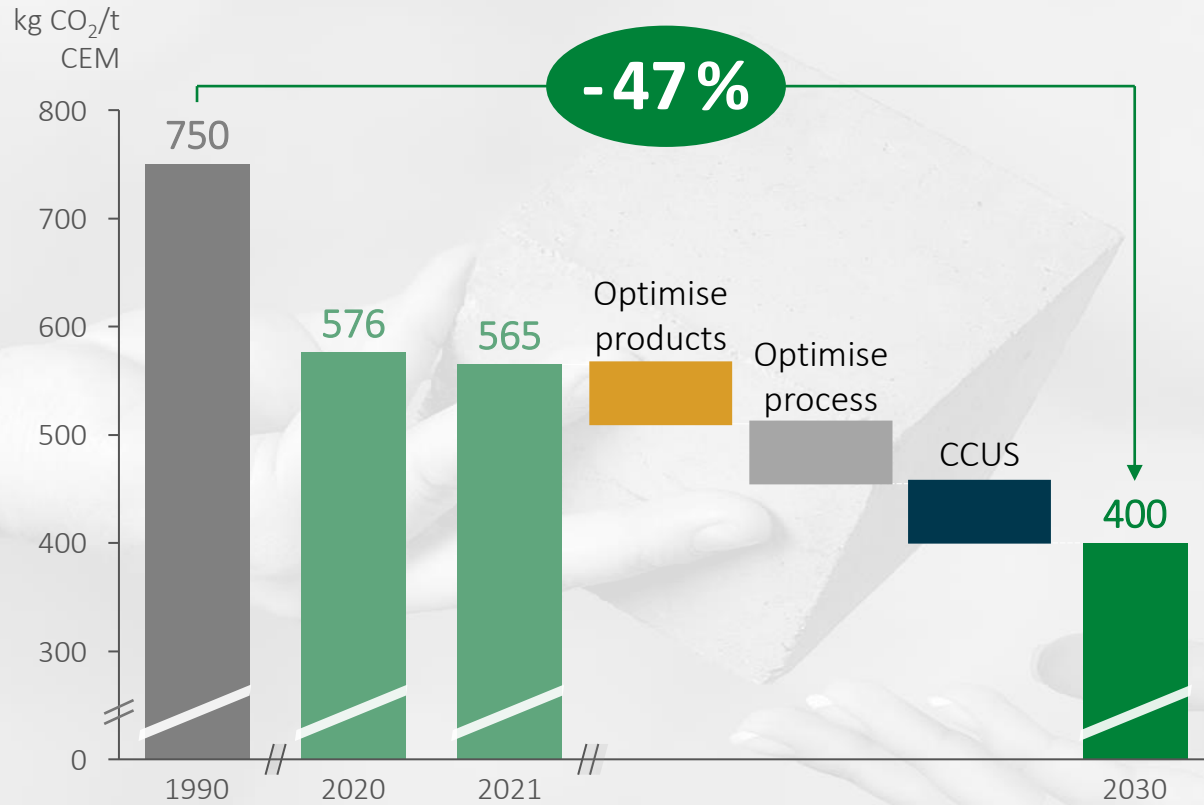
Upgraded CO₂ target for 2030:

400 kg CO₂/t

cementitious material

Key levers	Products	Clinker incorporation/ circularity
	Process	Altern. fuels /Biomass fuels rate
	CCUS	10 mt CO ₂ captured (cumulative)

Our three levers enable us to reduce CO₂ emissions by almost 50% vs. 1990

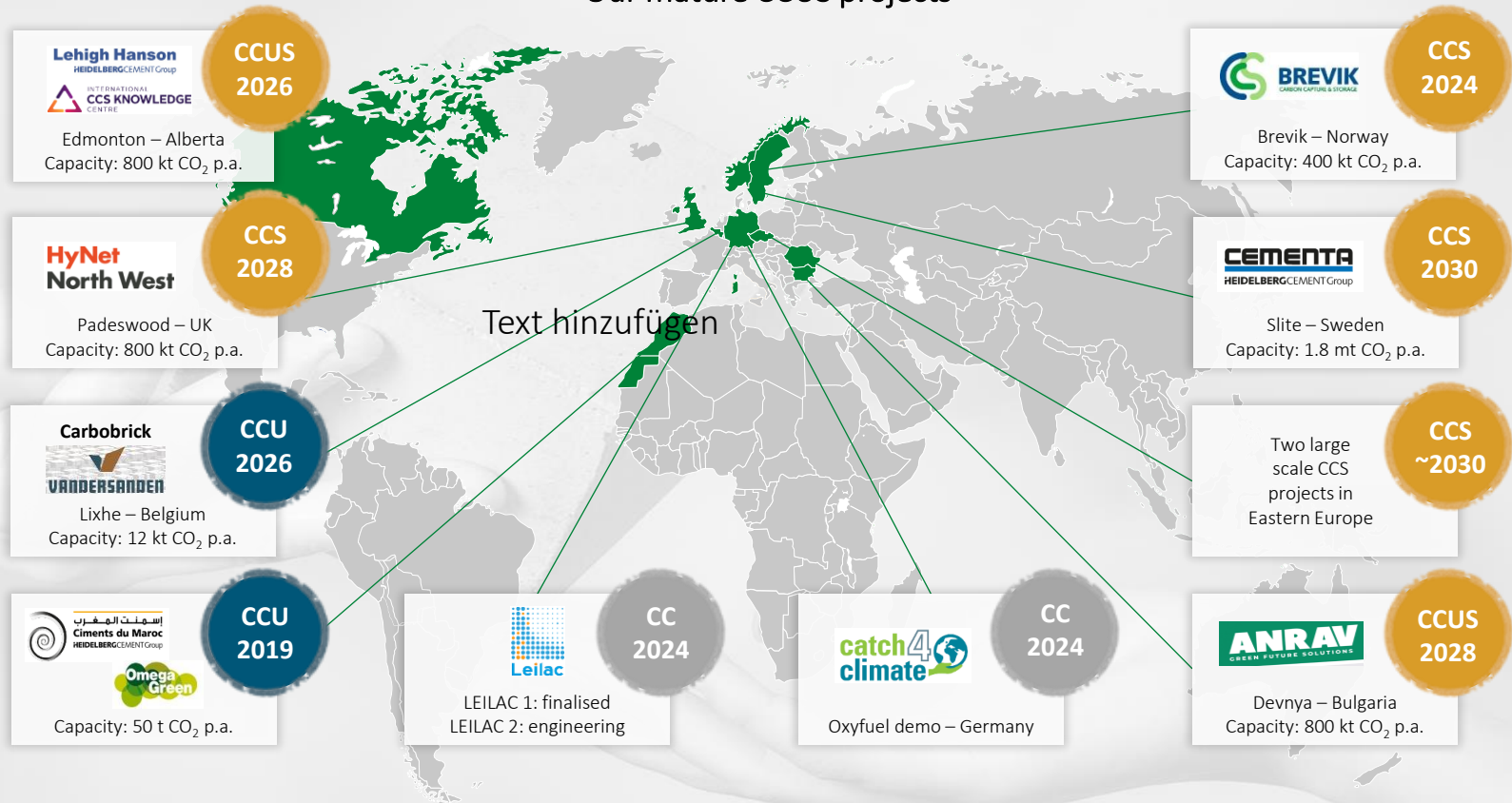


Levers to reach our 2030 targets

Products	Clinker incorporation < 68% and drive circularity
Process	45% Alternative fuels rate 20% Biomass fuels rate
CCUS	10 mt CO₂ captured (cumulative)

Driving CCUS with extensive and most advanced project portfolio in the sector

Our mature CCUS projects





We have a clear focus on **value creation** for all stakeholders.

The CO₂ transition as a very viable business case

Revenue



Sustainable products will enable revenue growth above market.

Margin



Premium for sustainable products and lower carbon cost, thanks to technology leadership. EU turns into advantage.

Cash flow



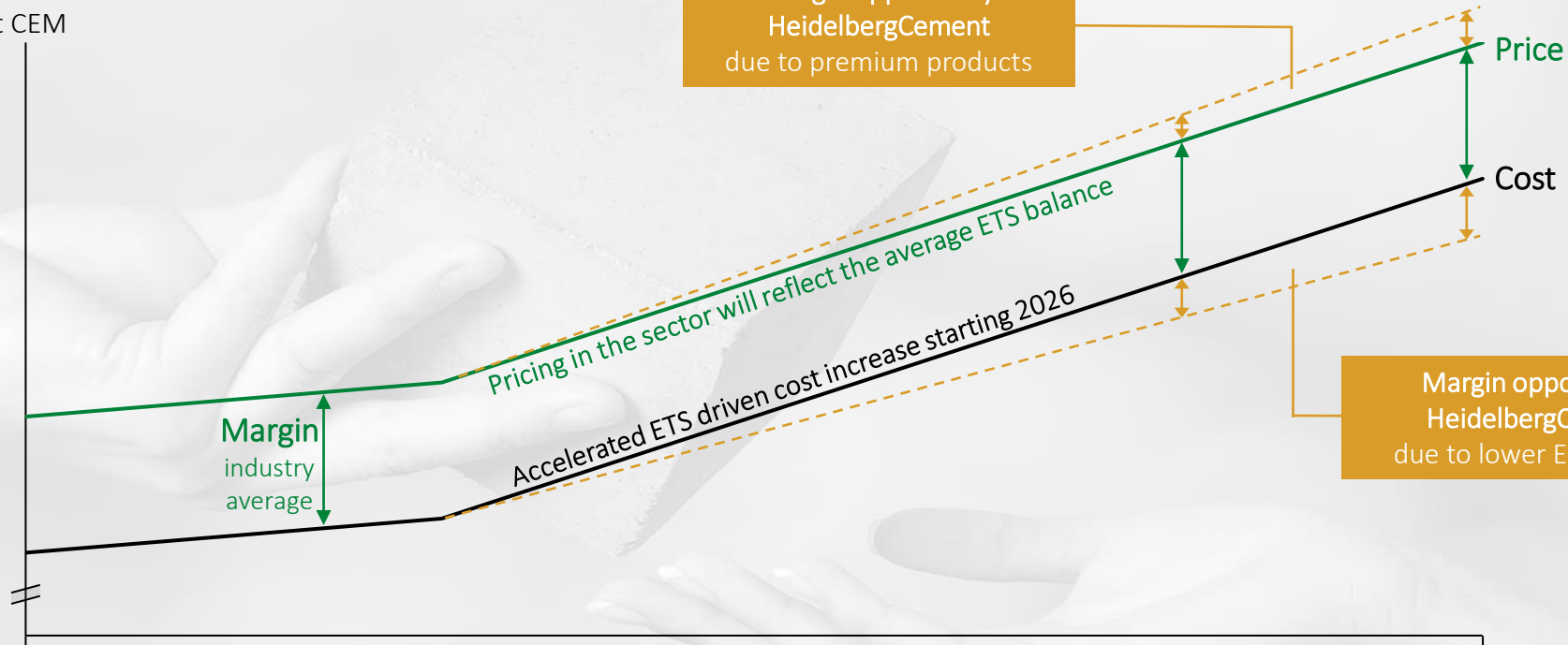
Strong cash-conversion:
New net CapEx p.a. target includes all CO₂ measures needed to reach our target of 400 kg CO₂/t CEM.



CCUS and ETS present a clear margin opportunity for us in Europe

Indicative chart

€/t CEM



Assumptions:

(1) European commission reforms on ETS implemented, namely CBAM in 2026 and free allowances reduced by -10% p.a. starting 2026

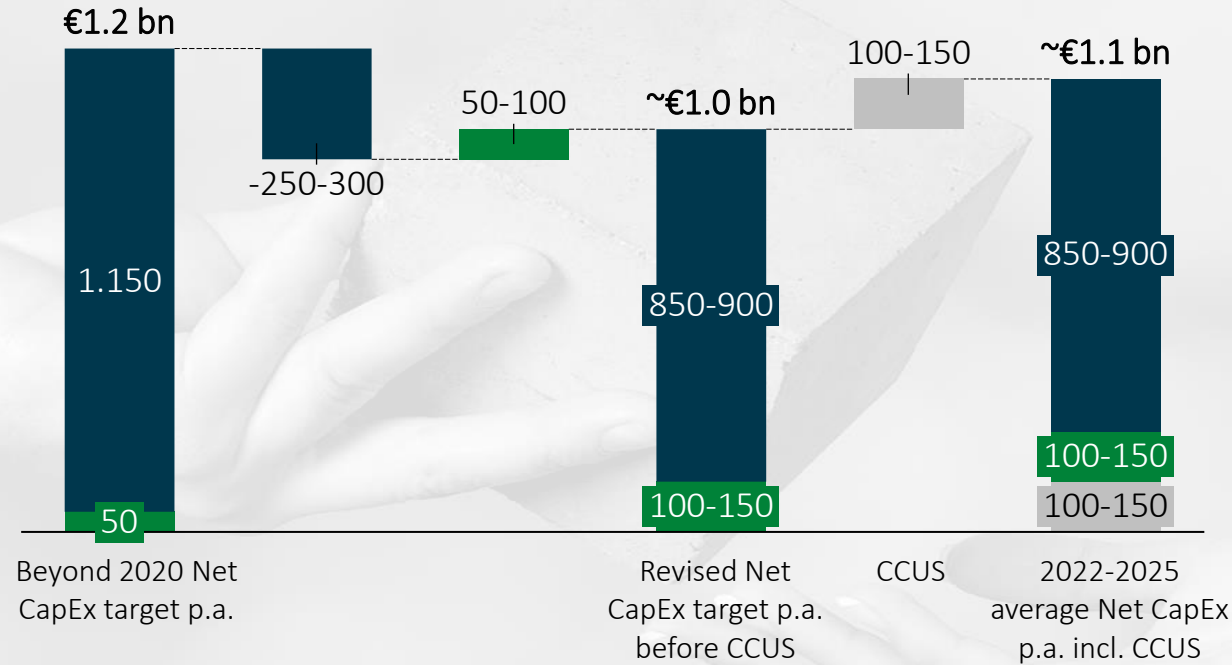
(2) ETS price assumptions 2023: €95 and increase of €5 p.a. after 2024

2026

2030

Core Capex drastically reduced in favour of conventional CO₂ and CCUS capex

Net CapEx spending p.a.



■ Core CapEx * ■ Conventional CO₂ ■ CCUS

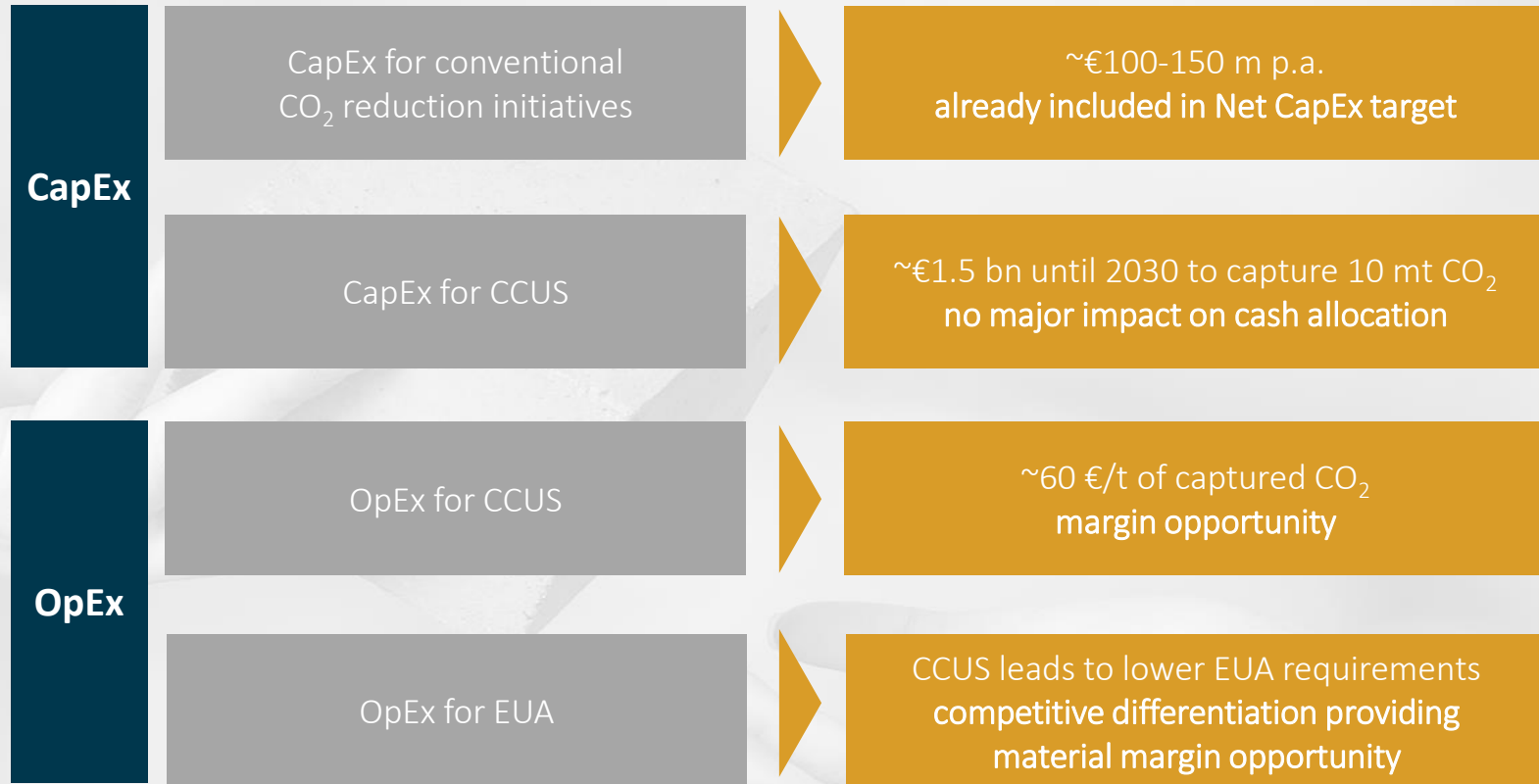
1. Core CapEx down by €250-300 m p.a.
2. Conventional CO₂ CapEx up +€50-100 m p.a.
3. CCUS added as new category
4. Total Net CapEx until 2024 will be below €1.1 bn as major CCUS spend accelerating only during 2025-2028
5. Indicative CCUS CapEx 2025-2030 around €200m p.a. on average

NEW NET
CAPEX TARGET
INCL. CCUS:

AROUND

€1.1 bn

Our CO₂ transformation fits to our capital allocation ambition



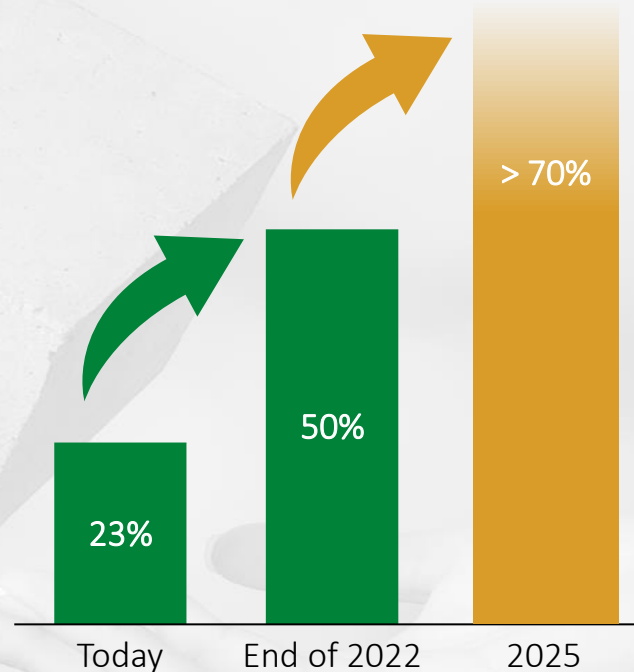
More than 70% of our financial instruments will be sustainable by 2025

Linking financing to **climate change** and **innovation**



Sustainable/green as % of total financial instruments

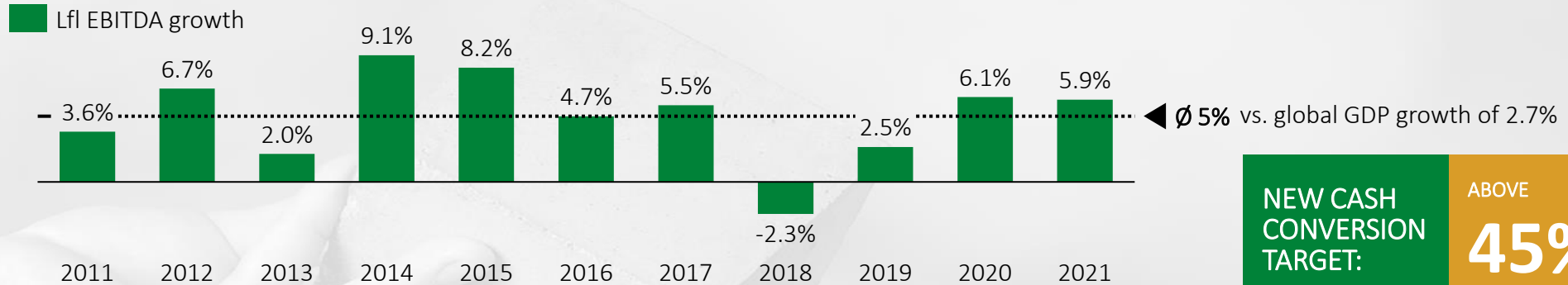
Overview as of today:	Pricing adjustment
Sustainability-linked loan (RCF)	✓
KfW / EIB loans	Use of proceeds concept
Planned in 2022:	Pricing adjustment
Sustainability-linked bonds	✓
CP-Programme	✓



SUSTAINABLE FINANCING: MORE THAN **70%** BY 2025

Low EBITDA volatility and strong growth combined with a high cash generation

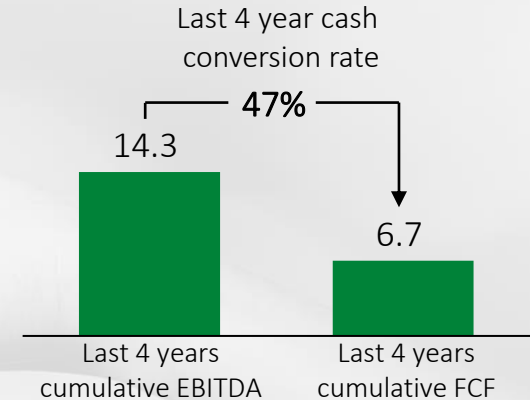
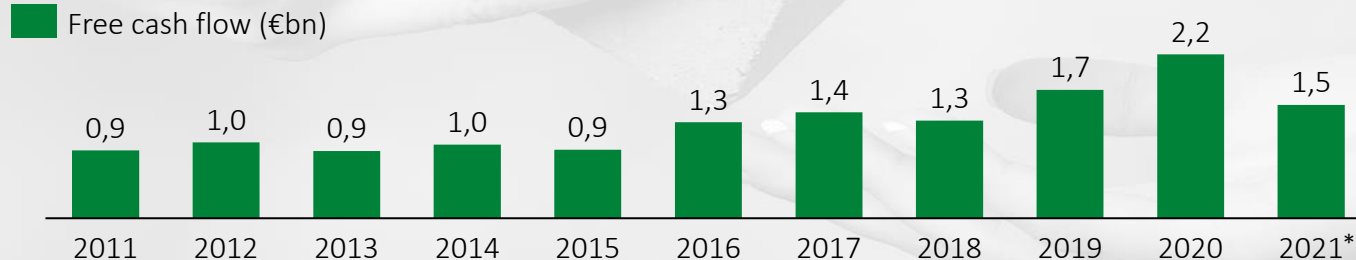
Well balanced footprint and product portfolio >> Stable and solid EBITDA development



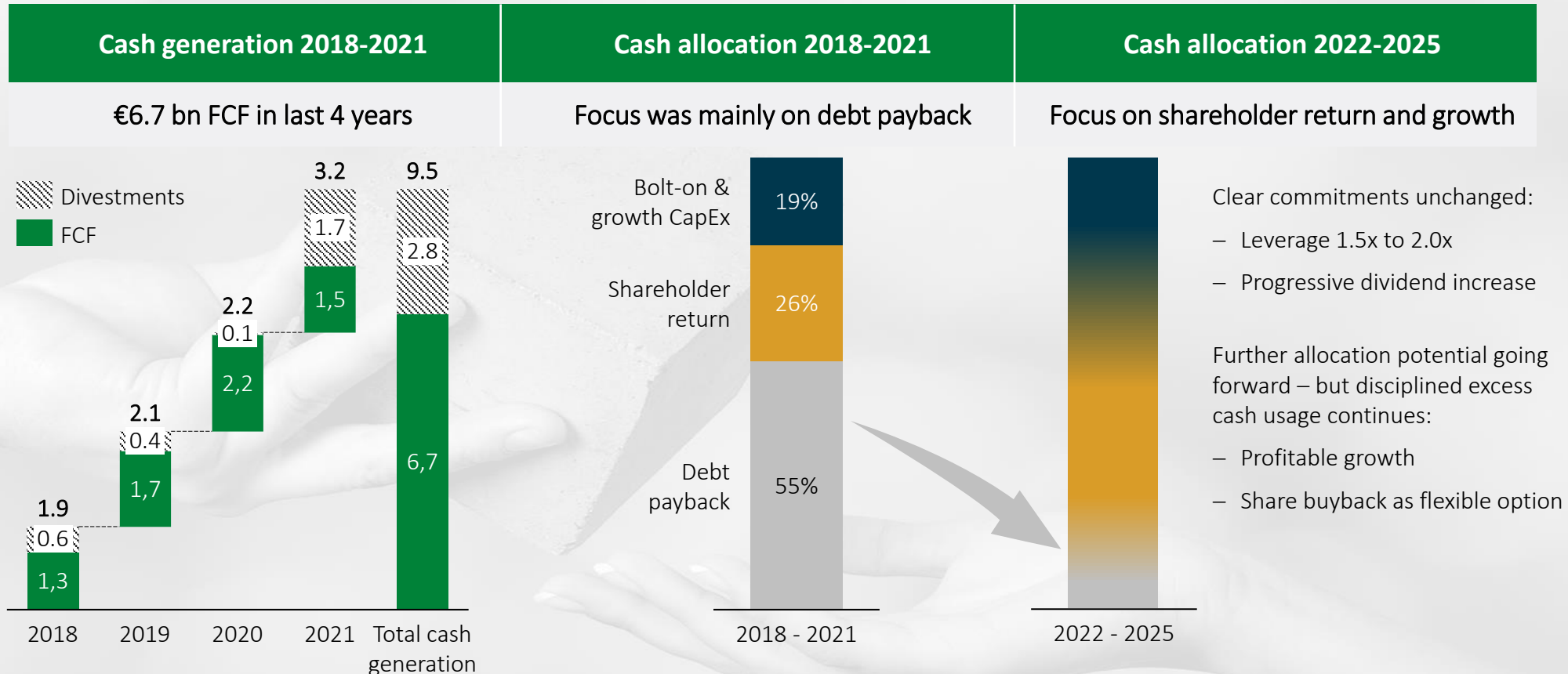
NEW CASH
CONVERSION
TARGET:

ABOVE
45%

Clear focus on cash >> High cash conversion rate leading to strong FCF generation



Strong cash generation, focus on shareholder return and growth



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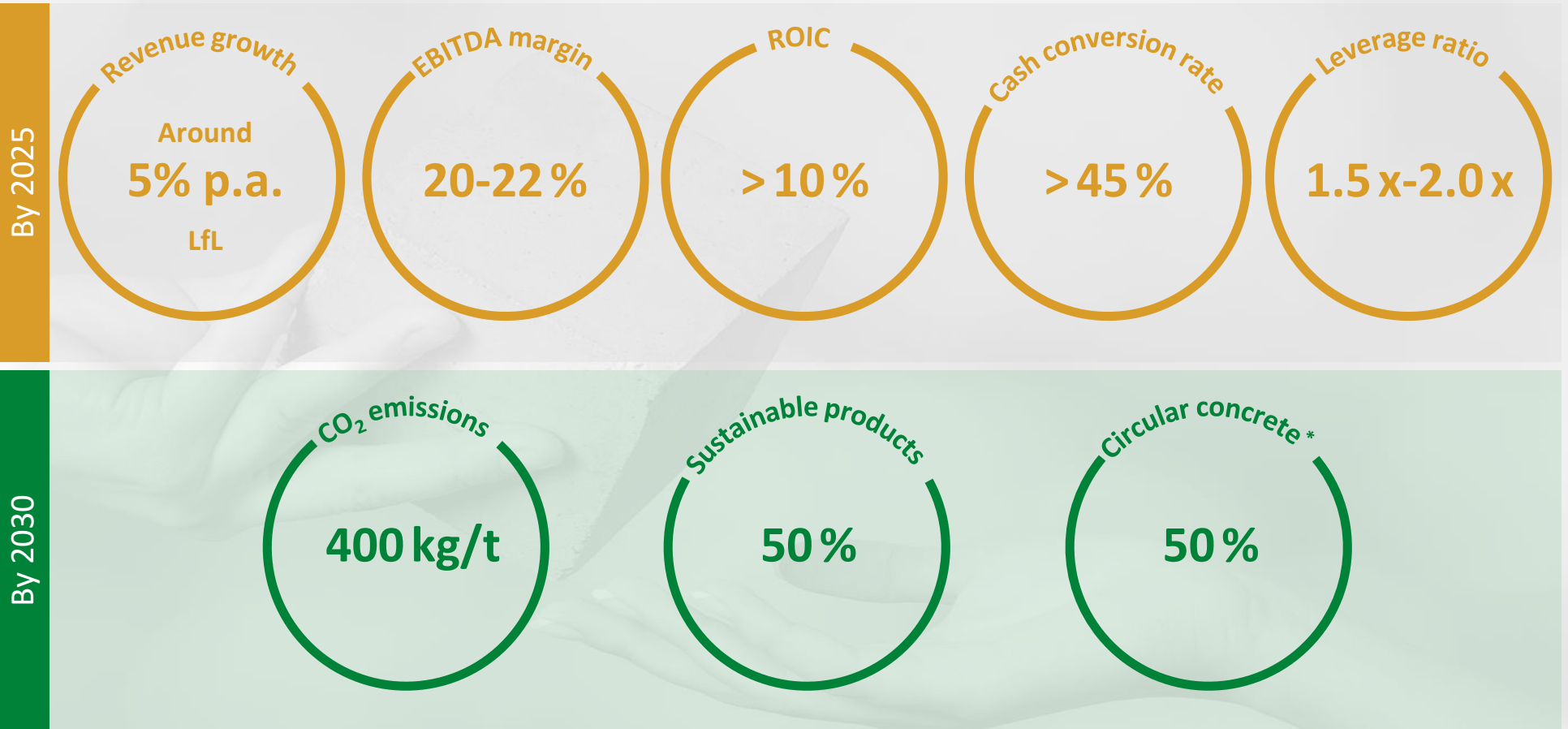


We set ambitious new targets for 2025

Key figure	Beyond 2020 target	Current status		New targets 2025	
EBITDA margin	22% by 2025 (+300 bps vs. 2019)	End of 2021: 20.7% (+171 bps vs. 2019)		20-22% by 2025	=
ROIC	Clearly above 8%	End of 2021: 9.3%	✓	Above 10%	+
Leverage	1.5x to 2.0x	End of 2021: 1.3x	✓	1.5x to 2.0x	=
Net CapEx	Below €1.2 bn p.a. <u>excl.</u> CCUS	2020-2021 average €1.0 bn	✓	Around €1.1 bn p.a. <u>incl.</u> CCUS	=
Cash conversion rate	Around 45%	Achieved 2019-2021	✓	Above 45%	+
Sustainable financing	-	23%		>70 %	+
Dividend policy	Progressive increase	Yes	✓	Progressive increase confirmed	=
Share buyback	Flexible option	€1 bn announced in 2021	✓	Flexible option	=

OUR TARGETS

We set ourselves new and ambitious targets



HeidelbergCement as an attractive investment

1. **Well positioned to benefit from growth trends** through well-balanced asset base and strong global footprint
2. **Solid track record of delivering on key financial targets** supported by a strong balance sheet
3. **Differentiated product portfolio driving growth** through premium value added products with enhanced sustainability attributes
4. **Leader in decarbonisation** with the speed, knowledge, and technology to frontrun the industry and make the CO₂ transition a successful business
5. **Attractive returns to shareholders** including progressive dividends and optional share buybacks





We are HeidelbergCement.
Material to build our future.

Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

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 HeidelbergCement. 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 HeidelbergCement's control, could cause actual results to differ materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement 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 HeidelbergCement's 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; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or service activities as well as various other factors. More detailed information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in HeidelbergCement's financial reports, which are available on the HeidelbergCement website, www.heidelbergcement.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, HeidelbergCement also presents alternative performance measures, including, among others Operating EBITDA, EBITDA margin, 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.

"Operating EBITDA" definition included in this presentation represents "Result from current operations before depreciation and amortization (RCOBD)" and "Operating Income" represents "Result from current operations (RCO)" lines in the annual and interim reports.