Welcome to HeidelbergCement AG’s Annual General Meeting
Report of the Managing Board

Dr Dominik von Achten
1873

From the beginnings in Bergheim
2023
150 years of progress
Constant change is the new normal for us. Today more than ever.
We are determined to drive change. And we want to get better every day.
We create facts and make the difference. Today. And tomorrow.
Our progress is measurable.
We delivered once again on all key performance indicators

Financial year 2022

Revenue: €21.1 bn
Result: €2.5 bn
EPS: €9.47
ROIC: 9.1%
Free cash flow: €1.3 bn
Shareholder return: €1 bn
CO₂ reduction: -2%

1 All changes compared to the previous year on a like-for-like basis | 2 RCO: Result from current operations | 3 Adjusted earnings per share | 4 ROIC: Return on Invested Capital
Good progress in reducing our CO₂ emissions – Finance and sustainability go hand in hand

Financial year 2022

-2 %

Alternative Fuels

+2.3 %-point

Clinker incorporation

-1.3 %-point
Financial year 2022

We increased our revenue in 2022 in all Group areas

<table>
<thead>
<tr>
<th>Region</th>
<th>Revenue (€m)</th>
<th>Year-Over-Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>4,907</td>
<td>+7.8%</td>
</tr>
<tr>
<td>Western and Southern Europe</td>
<td>6,308</td>
<td>+13.8%</td>
</tr>
<tr>
<td>Northern and Eastern Europe - Central Asia</td>
<td>3,600</td>
<td>+17.0%</td>
</tr>
<tr>
<td>Africa - Eastern Mediterranean Basin</td>
<td>2,108</td>
<td>+12.8%</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>3,633</td>
<td>+10.0%</td>
</tr>
<tr>
<td>Group</td>
<td>21,095</td>
<td>+11.9%</td>
</tr>
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Financial year 2022

Decline in demand in 2022, particularly in private residential construction

Private residential construction

Office building construction

Industrial construction

Infrastructure construction
2022 was characterised by very high energy prices and general cost inflation

Source: Refinitiv, 25 April 2023 | * Electricity prices are shown as monthly averages for better readability.
Our 2022 result held up fairly well despite a decline in sales volumes and high energy costs.
Our share price performed well despite the challenging environment...
Financial year 2022

...and significantly increased in the current year (Jan-Apr 2023)

HeidelbergCement AG share  DAX  MSCI World Construction Materials Index

Jan  Feb  Mar  Apr  May

+28.7%  +17.5%  +14.4%
We continue our progressive dividend policy

Second year in a row with €~1 bn spent on dividends and share buybacks

- €350 m share buybacks
- €458 m dividend to HC AG shareholders
- €169 m Dividends to minorities

HeidelbergCement AG – dividend per share in €

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend per Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>2.20</td>
</tr>
<tr>
<td>2021</td>
<td>2.40</td>
</tr>
<tr>
<td>2022</td>
<td>2.60&lt;sup&gt;1)&lt;/sup&gt;</td>
</tr>
</tbody>
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1) Proposal to the Annual General Meeting on 11 May 2023
We got off to a good start in 2023 – First quarter 2023

Revenue
€4,896 m

Result*
€258 m

*Result from current operations (RCO)
We are confident about the full year 2023 and upgrade our outlook

**Outlook 2023**

- Good order situation for infrastructure projects and parts of non-residential construction expected to largely offset slowdown in private residential construction
- Balance between volumes, prices, and costs essential
- Focus on cash generation

**Prognose 2023**

- Revenue growth*
- Result* between €2.50 bn and €2.65 bn (previously: between €2.35 bn and €2.65 bn)
- CapEx Net at around €1.1 bn
- ROIC at around 9%
- Leverage ratio between 1.5x to 2.0x

* Result from current operations (RCO), adjusted for scope of consolidation and exchange rate effects
We are building on this foundation and driving forward the transformation into a sustainable future.
By 2030 we will generate 50% of our revenue through sustainable products.
We are leading the transformation of the sector, offering decarbonised cement and concrete as early as 2024.
A large proportion of CO₂ is generated in the clinker production process.

Sustainability

Limestone (among others)
Crushing, storing, and grinding

Clinker production

Cement
Grinding & transport

Emissions from the reaction of the limestone in the burning process

Emissions from the use of fossil fuels

2/3
1/3
We focus on sustainable products - 4 concrete examples

2 Decarbonised products
Examples:
- CCS Brevik
- CCU Lengfurt

3 Circular products
- Recycled content in products
- Reuse of materials and precast concrete parts

4 Material-reduced products
Example:
- 3D printing

1 Carbon-reduced products
Examples:
- Clinker substitution through
- Fly ash
- Calcined clay
1. **CO₂-reduced products with fly ash: example SEFA**

- Fly ash is produced, for example, in energy generation.
- As a secondary cementitious material (SCM), fly ash helps to reduce the CO₂ intensity in concrete.
- Used for example in composite cements and in ready-mixed concrete - this is how we strengthen the circular economy.

**CO₂ reduction of up to 30%**
CO$_2$-reduced products with calcined clay: example Ghana

- Cement clinker replaced by thermally activated clay
- In Ghana, we are currently building the largest clay calcination plant of its kind in the world
- CO$_2$ footprint in Ghana can thus be significantly reduced
- Enables local production and independence from clinker imports
2 Decarbonised products: example Brevik CCS

- First large-scale industrial CCS plant worldwide at a cement plant in Brevik, Norway
- Start of capture activity as early as 2024 with a capacity of 400,000 t CO₂ per year
- Equivalent to the emissions of 180,000 cars
- Very good construction progress - construction of the capture plant in summer 2023 on schedule

CO₂ reduction of up to 100% possible
The route of CO₂ from Brevik to permanent storage under the North Sea

1. **Carbon capture**
   via amine-based capture technology

2. **Transit silos**
   Connected to a pipeline system

3. **Carbon transport via ship**
   Ships transport the liquid CO₂ at -26°C within 4 days to Øygården

4. **Permanent Storage**
   Permanent storage of CO₂ via 110,000 m of pipeline, 2,600 m below the North Sea
2 Decarbonised products – CO₂ as raw material: example Lengfurt CCU

- Heidelberg Materials and Linde build world’s first large-scale CCU facility in a cement plant

- Facility in Lengfurt with a capture capacity of around 70,000 t of CO₂ p.a.

- Start of capture activity as early as 2025

- Thanks to its purity, the processed gas can be used in both the food and chemical industries

- Supported by the German Federal Ministry for Economic Affairs and Climate Action (BMWK)
Our CCUS project portfolio is the most advanced in the cement industry.

We are confident to reduce CO₂ emissions by 10 million tonnes cumulatively by 2030 through CCUS.

Dates refer to the expected start of operation, depending on various factors incl. funding approvals.
3 Circular products

- **JEV Recycling**, Seattle, USA: recycled concrete, recycled asphalt, services
- **SER**, Heilbronn: processing of construction and demolition waste and reuse in construction
- **RWG I Abbruch und Tiefbau**, Berlin: leading recycling and environmental services company
- **A1 Services**, Manchester, UK: Recycled aggregates, concrete, and waste recycling
- **Mick George**, East of England: recycled aggregates, ready-mixed concrete, integrated recycling, and earthworks business

**Up to 100% use of recyclate technically possible**
4 Material-reduced products: example 3D printing

- Europe’s largest 3D printed building is currently under construction in Heidelberg, Germany
- Heidelberg Materials supplies around 450 tonnes of the high-tech special mortar i.tech® 3D, which contains a CO₂-optimised binder
- Material is 100% recyclable
- Concrete printing allows design freedom and safe work on the construction site
- Addressing shortage of skilled workers and ongoing quality assurance
With all these measures, we are accelerating our CO₂ reduction on the 1.5 °C pathway.

SBTi: Science Based Targets initiative
We use our strong, 150 years old foundation …

… to now lead the decarbonisation in the building materials industry worldwide
We can only achieve all this together. Thank you very much for your loyalty.
With our measures, we are setting new standards. Now and in the years to come.