We drive change through innovation

Heidelberg Materials Headquarters – Heidelberg, Germany

Built of concrete, which actively reduces the level of air pollutants.
We make cities more sustainable

Biblioteca degli Alberi park – Milan, Italy

The water-draining concrete guarantees higher water permeability, provides high mechanical resistance and improves the appearance of the pavement.
We enable encounters in an outstanding ambience

Elbphilharmonie – Hamburg, Germany

30,000 m³ of concrete for the imposing concert hall in the Hanseatic city.
We protect historical heritage from nature forces

Mose – Venice, Italy

“Marine Concrete”: underwater concrete specifically developed for the Mose project. Guarantees a lifespan up to 100 years.
We cross borders and build connections

Frederick Douglass Memorial Bridge – Washington DC, USA

This 440 metres long structure is the largest infrastructure project in DC’s history. Designed for a 100-year service life, it has 3 above deck arches, 2 piers, 6 traffic lanes, and a pedestrian/bicycle lane with 4 pedestrian overlooks.
We see challenges as opportunities to find new solutions

3D printed house – Beckum, Germany

Less material, lower carbon footprint – thanks to Heidelberg Materials.
We develop intelligent building materials that inspire

Phillip & Patricia Frost Museum of Science – Miami, USA

Our materials allow to create new levels of architecture. The Museum covers 23,200 m² and is divided into 4 buildings: a planetarium, an aquarium, and 2 separate wings for the science museum.
Content

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About Heidelberg Materials
The global building materials industry faces major challenges

Climate change
In order to achieve the goals of the Paris Agreement for climate protection, the building materials industry needs to focus on decarbonisation.

Limited natural resources
For a more sustainable use of natural resources, industry must use fewer primary raw materials and rely more on recycling, for example.

Digitalisation
In production and on construction sites, digital solutions are needed that make processes simpler, faster, safer, more sustainable and efficient.
About Heidelberg Materials

The building materials industry will continue to grow

Global megatrends that will shape the building materials industry over the next few years

**Market Dynamics**
- Population growth and urbanisation in emerging markets
- Infrastructure programmes in mature markets, e.g. USA, EU Green Deal

**Society**
- Solutions for sustainable building
- Circular economy models
- Regulation via CO₂ taxes/ emission caps

**Technology**
- New business models: Digitalisation & automation
- Innovative and sustainable building materials
- Technologies for CO₂ reduction
Concrete is essential for building a sustainable society

- Locally produced and sold
- 100% recyclable
- Durable
- Sound absorbent
- Designable
- Flexible
Heidelberg Materials is one of the world’s largest building materials companies

51,000 employees on 5 continents

3,000 locations worldwide

Leading positions in cement, aggregates, and ready-mixed concrete
Our purpose: Material to build our future

The world is undergoing profound changes. Our building materials and solutions shape significant development worldwide. We build on one and a half centuries of experience. Now is the time to lay the foundation for our future.

At the centre of our actions lies our responsibility for the environment. We want to be the leader in the industry on the path to carbon-neutrality.

We deliver long-term financial performance through operational excellence, dedication, and openness for change.

We are progressive minds with the ambition to drive transformation. We push the boundaries to strengthen innovation and deepen partnerships with our customers and other stakeholders. Together we craft material solutions for the future.

So that the world can always build on us.
Very good result in the 2022 financial year

Revenue
€21.1 bn
+12% LfL*

Strong pricing drives top-line growth

RCOBD
€3.7 bn
-5% LfL*

+3% growth in Q4, despite weaker volumes and high energy costs

Adjusted EPS
€9.47
+20%

Strong EPS improvement despite pressure on operational result

ROIC
9.1%
(PY: 9.3%)

We continue to earn a premium on our cost of capital

Free cash flow
€1.3 bn

Solid FCF, despite increase of working capital of €800 m

Shareholder return
€1 bn

Second year in row with record high shareholder return

CO₂ reduction
-2%

Continued good progress in specific CO₂ reduction

* On a like-for-like basis

RCOBD: Result from current operations before depreciation and amortisation
ROIC: Return on Invested Capital
We are well positioned with our asset base in mature and emerging markets

Revenue by Group areas

- Western and Southern Europe: 28%
- North America: 9%
- Asia Pacific: 16%
- Africa-Eastern Mediterranean Basin: 16%
- Northern and Eastern Europe-Central Asia: 22%
- Others: 8%

RCOBD by Group areas

- Western and Southern Europe: 24%
- North America: 20%
- Asia Pacific: 16%
- Africa-Eastern Mediterranean Basin: 27%
- Northern and Eastern Europe-Central Asia: 12%
- Others: 1%

1) Excludes reconciliation; figures may not add up to 100% due to rounding
2) Others primarily include trading business, intra-group sales (only for revenue), JVs (only for RCOBD = Result from current operations before depreciation and amortisation) and other building product businesses
**We want to become the first industrial tech company in the sector**

### Revenue growth

- **HConnect**
  - We provide connected solutions for our customers
  - > 75% of global revenue connected

### Cost optimisation

- **HProduce**
  - We drive efficiency in our operations
  - > 50% of operational improvements supported digitally

- **HService**
  - We optimise our back-office processes
  - > 20% efficiency gains in central shared services

### Digital targets

- **Digital strategy**
2

Sustainability
Sustainability Commitments 2030 - stronger and more comprehensive

We drive the **decarbonisation** of our sector and provide **low-carbon** products.

We drive **circularity** to reduce and reuse materials and natural resources.

We place the **health and wellbeing** of employees, communities, and suppliers at the core of our business operations.

We contribute to a nature positive world through our industry-leading **biodiversity programme** and **sustainable water management**.
We drive the decarbonisation of our sector and provide low-carbon products

- **Under construction**: Our CCS project in Brevik, Norway, will start operation as early as 2024
- **Funded in 2022**: With ANRAV in Devnya, Bulgaria, we are creating the first full-chain CCUS project in Eastern Europe
- **Launched in 2022**: Our biggest CCUS project to date in Mitchell, USA
By 2030, we want to reduce our CO₂ emissions by almost 50% vs. 1990

Levers to reach our 2030 targets

- **Products**
  - Clinker incorporation <68%
  - Drive circularity

- **Process**
  - 45% Alternative fuels rate
  - 20% Biomass fuels rate

- **CCUS**
  - 10 mt CO₂ captured by 2030 (cumulative)
Sustainable products are becoming the game changer for profitable growth.
We commit to generate 50% of our revenue from sustainable products by 2030.

- **Reduce and reuse CO₂**
  - Less CO₂ in cement and concrete

- **Reuse and reduce materials**
  - More circularity in the product mix

Commoditisation comes to an end: Sustainable product portfolio will be THE key differentiator!
Customers benefit globally from our sustainable products and solutions

- **USA + Canada**: -50% \(+40%\)
- **The Netherlands**: -60% \(+100%\)
- **Germany**: -66% \(+45%\)
- **United Kingdom**: -80% \(+30%\)
- **EcoCrete®**: -30% \(+20%\)
- **Sweden**: -33% \(-40%\)
- **Poland**: -60%
- **France**: -40% \(\text{Le VISION AIR}\)
- **Spain**: -40% \(+40%\)
- **Italy**: -25% \(+35%\)
- **Ghana**: Super Cool cement \(+15%\)
- **Egypt**: Pozzolanic cement \(-15%\)
- **Turkey**: -15%
- **India**: -38%
- **Germany**: -23.03.2023
- **Group Presentation**: 23.03.2023

**Sustainability**

- **CO₂-reduced cement and concrete**: (compared to ordinary cement and concrete)
- **Circularity through reuse or reduction of materials vs. local products**
Significant carbon reduction through sector’s first CCS project already in 2024

2024
CCS
Brevik, Norway
Capacity: 400 kt CO₂ p.a.

CC
Hanover, Germany
LEILAC 1: finalised
LEILAC 2: engineering
Capacity: 100 kt CO₂ p.a.

CC
Mergelstetten, Germany
Oxyfuel pilot

2025
CC
Edmonton, Canada
CCUS
Capacity: 1.0 mt CO₂ p.a.

2026
CCUS
Padeswood, UK
Capacity: 800 kt CO₂ p.a.

CCU
Safi, Morocco
Upscaling capacity

2028
CCUS
Devnya, Bulgaria
Capacity: 800 kt CO₂ p.a.

CCUS
Antoing, Belgium
Capacity: 800 kt CO₂ p.a.

CCUS
Padeswood, UK
Capacity: 1.8 mt CO₂ p.a.

CCUS
Mitchell, Indiana, US
Capacity: 2.0 mt CO₂ p.a.

CCUS
Eastern Europe
Two large scale CCS projects

We are confident to deliver on our target of reducing CO₂ emissions by 10 mt through CCUS by 2030

All dates estimated start of operations, timing dependent on various factors, incl. funding decision.
We will be the first to offer Net Zero cement and concrete at scale.
Building a Circular & Resilient Future

We drive circularity to reduce and reuse materials and natural resources.

- New acquisitions add to our portfolio of recycled aggregates
- Our goal: closing the carbon loop
- **2022 awarded**: Innovative concrete recycling with ReConcrete 360°
### Sustainability

**Scaling circularity through several acquisitions of leading recycling companies**

Building a platform of circular businesses with selective recycling acquisitions in key developed markets

<table>
<thead>
<tr>
<th>Country</th>
<th>Company Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>JEV Recycling</td>
<td>Concrete and asphalt recycler with operating assets in the Greater Seattle area</td>
</tr>
<tr>
<td>UK</td>
<td>Mick George</td>
<td>Integrated recycling &amp; earthmoving, AGG and RMC business in the east of UK</td>
</tr>
<tr>
<td>UK</td>
<td>A1 Services Manchester Tippers + Grabs - Primary &amp; Recycled Aggregates</td>
<td>Concrete and civil engineering waste removal and recycling, Manchester</td>
</tr>
<tr>
<td>Germany</td>
<td>RWG I</td>
<td>Leading integrated recycling and environmental services company in Berlin</td>
</tr>
<tr>
<td>Germany</td>
<td>SER</td>
<td>Demolition and construction materials recycling business, based in Southern Germany</td>
</tr>
</tbody>
</table>
Building a Nature Positive Future

We contribute to a nature positive world through our industry-leading biodiversity programme and sustainable water management

- Heidelberg Materials’ Quarry Life Award: Opening up our quarries and gravel pits
- Participants implement their projects – we turn them into best practices
- **2022 implemented:** 76 projects in 19 countries - with the top prize for an educational project by the Normandy Bird Protection League
Building a Safe & Inclusive Future

We place the health and wellbeing of employees, communities, and suppliers at the core of our business operations

- We will roll out Community Engagement Plans at all sites
- Volunteering is part of our CSR strategy
- **2022 in focus:** Projects in the areas of culture, environment, infrastructure & education
Our targets
Our targets

We set ourselves ambitious targets

By 2025
- Revenue growth: Around 5% p.a.
- RCOBD margin: 20–22%
- ROIC: > 10%
- Cash conversion rate: > 45%
- Leverage ratio: 1.5x–2.0x

By 2030
- CO₂ emissions: 400 kg/t CEM
- Sustainable products: 50%
- Circular concrete*: 50%

*Offer circular alternatives for half of our concrete products – aiming for full coverage.
Heidelberg Materials as a competent partner

1. **Solid growth** – We are benefiting from growth trends thanks to our balanced presence in mature and emerging markets.

2. **Strong results** – We are on track to achieve our medium-term financial targets.

3. **Added value for our customers** – We offer our customers a high-quality and sustainable product portfolio.

4. **Leading the way in decarbonisation** – We have the speed, knowledge, and technology to successfully manage the transformation to climate neutrality.

5. **All stakeholders in view** – We are shaping the transformation for the benefit of our customers, our shareholders, our employees, and society.
Appendix
Heidelberg Materials Trading

Heidelberg Materials Trading is one of the largest trading companies serving the global cement industry

**Availability across the globe:**
Covering over 100 countries with our trading hubs in Heidelberg, Miami, Singapore, Dubai, and Shanghai

**Cement & clinker trade:**
Lifting more than 10% of the global seaborne cement trading volume

**For a greener industry:**
Sourcing reliable clinker substitutes and additives
Our Managing Board

Dr Dominik von Achten
Chairman of the Managing Board

René Aldach
Chief Financial Officer

Kevin Gluskie
Asia-Pacific

Hakan Gurdal
Africa-Eastern Mediterranean Basin

Ernest Jelito
Northern and Eastern Europe-Central Asia

Dr Nicola Kimm
Chief Sustainability Officer

Dennis Lentz
Chief Digital Officer

Jon Morrish
Western and Southern Europe

Chris Ward
North America

Appendix

23.03.2023 Group Presentation
We are Heidelberg Materials. Material to build our future.
Thank You.
Disclaimer

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