Q3 2023 Trading Update
2 November 2023

Dr Dominik von Achten – CEO
René Aldach – CFO
Key messages Q3 2023

• Strong operational performance*:
  Revenue up +2%; EBITDA up +25%; RCO up +33%

• Solid margin improvement in all regions, driven by positive price over cost which compensates volume pressure

• Free cash flow at around 2 €bn**

• 1 €bn share buyback program just completed. Shares acquired during the first two tranches are fully cancelled

• Good progress on CCUS and CO₂ reduction projects

• 2023 Outlook further upgraded:
  - RCO between 2.85-3.00 €bn (previously 2.70-2.90 €bn)
  - ROIC clearly above 9% (previously around 9%)
  - Leverage below 1.5x (previously between 1.5x to 2.0x)

* All like-for-like, excluding currency and scope impacts
** Based on last 12 months rolling figures
**Q3 2023 operational overview**

### Revenue [€m]
- **Q3 2021:** 5,058
- **Q3 2022:** 5,852
- **Q3 2023:** 5,611

**YoY 2023 vs. 2021:** +553 €m LfL: +15.6%

**YoY 2023 vs. 2022:** -241 €m LfL: +1.6%

### Operating EBITDA [€m]
- **Q3 2021:** 1,176
- **Q3 2022:** 1,193
- **Q3 2023:** 1,393

**YoY 2023 vs. 2021:** +217 €m LfL: +20.6%

**YoY 2023 vs. 2022:** +199 €m LfL: +24.7%

### Operating EBITDA Margin
- **Q3 2021:** 23.2%
- **Q3 2022:** 20.4%
- **Q3 2023:** 24.8%

**Plus:** +157 bps

### Operating EBIT (RCO) [€m]
- **Q3 2021:** 869
- **Q3 2022:** 874
- **Q3 2023:** 1,080

**YoY 2023 vs. 2021:** +211 €m LfL: +27.9%

**YoY 2023 vs. 2022:** +206 €m LfL: +32.9%
9M 2023 operational overview

Revenue [€m]

- 9M 2021: 13,996
- 9M 2022: 15,802
- 9M 2023: 16,083

Operating EBITDA [€m]

- 9M 2021: 2,896
- 9M 2022: 2,718
- 9M 2023: 3,179

Operating EBITDA Margin

- 9M 2021: 20.7%
- 9M 2022: 17.2%
- 9M 2023: 19.8%

Operating EBIT (RCO) [€m]

- 9M 2021: 1,953
- 9M 2022: 1,782
- 9M 2023: 2,269

YoY 2023 vs. 2022:
- Revenue: +2,087 €m (LFL: +18.7%)
- Operating EBITDA: +283 €m (LFL: +11.8%)
- Operating EBITDA Margin: +92 bps
- Operating EBIT (RCO): +316 €m (LFL: +19.9%)

YoY 2023 vs. 2021:
- Revenue: +281 €m (LFL: +6.0%)
- Operating EBITDA: +461 €m (LFL: +22.8%)
- Operating EBITDA Margin: +257 bps
- Operating EBIT (RCO): +487 €m (LFL: +35.3%)

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- Revenue: +2,087 €m (LFL: +18.7%)
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- Operating EBITDA Margin: +257 bps
- Operating EBIT (RCO): +487 €m (LFL: +35.3%)
Q3 2023 Operating EBIT (RCO) bridge [€m]

- Q3 2022 RCO: 874
- Currency: -54
- Net volume: 821
- Price over cost: 453
- Depreciation: -7
- Q3 2023 LfL RCO: 1,090
- Scope: -10
- Q3 2023 RCO: 1,080

+270 €m (+33%)
9M 2023 Operating EBIT (RCO) bridge [€m]

+597 €m (+35%)

1,782

9M 2022 RCO

-90

Currency

1,692

9M 2022 LfL RCO

-381

Net volume

973

Price over cost

5

2,289

9M 2023 LfL RCO

-20

Scope

2,269

9M 2023 RCO

Operational result

Q3 2023 Trading update | Dr Dominik von Achten, René Aldach
• Strong result development despite lower demand, especially in residential sector
• Positive pricing and continuous focus on cost management bring margin back to pre-covid level
• Result contribution from recent investments across North America ahead of initial expectations
Western & Southern Europe

- Residential sector continues to be weak, visible in demand decline over the entire region
- Effective cost management leads to solid margin improvement
- All countries contribute positively to result development

Q3 2021 Q3 2022 Q3 2023

<table>
<thead>
<tr>
<th>Revenue [€m]</th>
<th>RCO [€m]</th>
<th>RCO Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,418</td>
<td>177</td>
<td>12.5%</td>
</tr>
<tr>
<td>1,619</td>
<td>173</td>
<td>10.7%</td>
</tr>
<tr>
<td>1,616</td>
<td>277</td>
<td>17.2%</td>
</tr>
</tbody>
</table>

+3 €m LfL: 0%
+104 €m LfL: +62%
+646 bps
Northern & Eastern Europe - Central Asia

- Revenue decline in absolute terms caused by demand pressure and currency impact
- RCO improvement driven by continuing focus on cost management and positive pricing
- Margin growth despite volume pressure
Recovery continues in Asia, particularly in Australia and Indonesia

- Solid increase in region RCO and margin, driven by moderating energy prices
- China market remains soft
Africa – Eastern Mediterranean Basin

- LfL revenue increases +7%, despite a difficult comparison base driven by very strong demand in prior year
- Margin improvement continues
- Signs of currency stabilization visible in key markets

<table>
<thead>
<tr>
<th></th>
<th>Q3 2021</th>
<th>Q3 2022</th>
<th>Q3 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>486</td>
<td>539</td>
<td>464</td>
</tr>
<tr>
<td>RCO</td>
<td>90</td>
<td>101</td>
<td>96</td>
</tr>
<tr>
<td>RCO Margin</td>
<td>18.6%</td>
<td>18.7%</td>
<td>20.8%</td>
</tr>
</tbody>
</table>

-75 €m LfL: +7%  
-4 €m LfL: +17%  
+212 bps
Financial highlights

- Last 12 months free cash flow at around 2 €bn, with cash conversion rate of ~50%

- Net CapEx below 1.1 €bn*, disciplined approach continues

- Net debt reduced by 0.6 €bn**; leverage 0.35x below prior year, at a very comfortable level

- 1 €bn share buyback program completed. Shares acquired during the first two tranches are fully cancelled

* Based on last 12 months rolling figures  
** vs. September 2022
Solid improvement in key financial figures

Last 12 months free cashflow

<table>
<thead>
<tr>
<th>Sep 2021</th>
<th>Sep 2022</th>
<th>Sep 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.7 €bn</td>
<td>0.8 €bn</td>
<td>2.1 €bn</td>
</tr>
<tr>
<td>-0.9 €bn</td>
<td>1.3 €bn</td>
<td></td>
</tr>
</tbody>
</table>

Net debt

<table>
<thead>
<tr>
<th>Sep 2021</th>
<th>Sep 2022</th>
<th>Sep 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 €bn</td>
<td>6.5 €bn</td>
<td>5.9 €bn</td>
</tr>
<tr>
<td>-0.7 €bn</td>
<td>-0.6 €bn</td>
<td></td>
</tr>
</tbody>
</table>

Leverage

<table>
<thead>
<tr>
<th>Sep 2021</th>
<th>Sep 2022</th>
<th>Sep 2023</th>
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<tbody>
<tr>
<td>1.84x</td>
<td>1.75x</td>
<td>1.39x</td>
</tr>
<tr>
<td>-0.1x</td>
<td>-0.4x</td>
<td></td>
</tr>
</tbody>
</table>
Committed to our announced cash allocation strategy

What we promised (2022 CMD)...

<table>
<thead>
<tr>
<th>Cash allocation 2018-2021</th>
<th>Focus was mainly on debt payback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolt-on &amp; growth CapEx *</td>
<td>19%</td>
</tr>
<tr>
<td>Shareholder return</td>
<td>26%</td>
</tr>
<tr>
<td>Debt payback</td>
<td>55%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cash allocation 2022 - 2025</th>
<th>Focus on shareholder return &amp; growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear commitments unchanged:</td>
<td></td>
</tr>
<tr>
<td>– Leverage 1.5x to 2.0x</td>
<td></td>
</tr>
<tr>
<td>– Progressive dividend increase</td>
<td></td>
</tr>
<tr>
<td>Further allocation potential</td>
<td></td>
</tr>
<tr>
<td>going forward – but disciplined</td>
<td></td>
</tr>
<tr>
<td>excess cash usage continues:</td>
<td></td>
</tr>
<tr>
<td>– Profitable growth</td>
<td></td>
</tr>
<tr>
<td>– Share buyback as flexible</td>
<td></td>
</tr>
<tr>
<td>option</td>
<td></td>
</tr>
</tbody>
</table>

What we delivered so far...

| Bolt-on & growth CapEx * | 29% |
| Shareholder return | 43% |
| Debt payback | 28% |

Sep 2021 to Sep 2023

* Gross strategic CapEx, without disposals.
Continuous focus on portfolio optimization – Simplify and Grow

**Simplify**
- ~2.5 €bn disposal *
  - Right-size the business
  - Reduce complexity
  - Improve profitability

**Grow**
- ~1.5 €bn M&A *
  - Expand focus markets
  - Support transformation
  - Support/improve financial performance

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**Strategic rationale**
- Grow in focus markets within our portfolio
- Re-balancing earnings towards profitable businesses
- Complementarity with our existing asset base

**Financial rationale**
- Synergy potential
- To be financed through disposal proceeds and sustainability-linked bonds
- Fulfills all financial criteria for M&A

- In line with:
  - communicated 2025 financial targets
  - shareholder return policy
- Value creation for all stakeholders

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Target remains: Balanced disciplined and profitable growth + good shareholder return

* Cumulated values from Jan 2020 until Sep 2023.
Sustainability highlights

- Continuous good progress in CO$_2$ reduction: Well on track with our roadmap towards 400kg CO$_2$/CEM in 2030
- ANRAV project: Construction start for a pilot installation of the first full-chain CCUS project in Eastern Europe covering CCUS incl. transport
- GeZero project: First fully decarbonized cement plant in Germany gets funding by EU Innovation Fund
- First 3D printed apartment building with a ~55% CO$_2$ reduction compared to Portland cement in Germany
- Calcined clay project launched in France offering a new range of low-carbon cements and reduce the site’s CO$_2$ emissions by 20%
- Project CIRCO$_2$BETON® to produce low-carbon cement from demolished concrete in France
Guidance further upgraded

**Business outlook 2023**

- Increase in infrastructure projects and parts of non-residential expected to partly offset slowdown in residential sector
- Continuous high focus on pricing and cost management across all markets
- Focus on cash generation

**Guidance 2023**

- **LfL revenue growth***
  (previously: between 2.70-2.90 €bn)
- **RCO between 2.85-3.00 €bn**
  (previously: between 2.70-2.90 €bn)
- **CapEx Net at around 1.1 €bn**
- **ROIC clearly above 9%**
  (previously: around 9%)
- **Leverage below 1.5x**
  (previously: between 1.5x to 2.0x)

* Excluding currency and scope impacts
Key messages Q3 2023

• Strong operational performance*: Revenue up +2%; EBITDA up +25%; RCO up +33%
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• Free cash flow at around 2 €bn**
• 1 €bn share buyback program just completed. Shares acquired during the first two tranches are fully cancelled
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** Based on last 12 months rolling figures
## Currency and scope impacts

### Q3 2023

<table>
<thead>
<tr>
<th>Scope &amp; Currency</th>
<th>Revenue (€m)</th>
<th>Operating EBITDA (€m)</th>
<th>Operating EBIT (RCO) (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Scope</td>
<td>Currency</td>
<td>Scope</td>
</tr>
<tr>
<td>North America</td>
<td>29</td>
<td>-100</td>
<td>3</td>
</tr>
<tr>
<td>West / South Europe</td>
<td>7</td>
<td>-3</td>
<td>0</td>
</tr>
<tr>
<td>North / East Europe</td>
<td>0</td>
<td>-61</td>
<td>-8</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>0</td>
<td>-95</td>
<td>0</td>
</tr>
<tr>
<td>Africa / Med. Basin</td>
<td>-2</td>
<td>-103</td>
<td>0</td>
</tr>
<tr>
<td>Group Service &amp; Other</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total GROUP</td>
<td>35</td>
<td>-362</td>
<td>-5</td>
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</table>

### 9M 2023

<table>
<thead>
<tr>
<th>Scope &amp; Currency</th>
<th>Revenue (€m)</th>
<th>Operating EBITDA (€m)</th>
<th>Operating EBIT (RCO) (€m)</th>
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<tbody>
<tr>
<td></td>
<td>Scope</td>
<td>Currency</td>
<td>Scope</td>
</tr>
<tr>
<td>North America</td>
<td>58</td>
<td>-99</td>
<td>9</td>
</tr>
<tr>
<td>West / South Europe</td>
<td>11</td>
<td>-37</td>
<td>0</td>
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<tr>
<td>North / East Europe</td>
<td>0</td>
<td>-109</td>
<td>-12</td>
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<tr>
<td>Asia Pacific</td>
<td>0</td>
<td>-174</td>
<td>0</td>
</tr>
<tr>
<td>Africa / Med. Basin</td>
<td>-2</td>
<td>-275</td>
<td>0</td>
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<tr>
<td>Group Service &amp; Other</td>
<td>0</td>
<td>0</td>
<td>-7</td>
</tr>
<tr>
<td>Total GROUP</td>
<td>67</td>
<td>-693</td>
<td>-9</td>
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</table>
# Operational result

## Operating Result

<table>
<thead>
<tr>
<th>Quarter [€m]</th>
<th>Revenue</th>
<th>Operating EBITDA</th>
<th>Operating EBITDA Margin</th>
<th>Operating EBIT (RCO)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Q3 22</td>
<td>Q3 23 Change Lfl</td>
<td>Q3 22 Q3 23 Change</td>
<td>Lfl Q3 22 Q3 23</td>
</tr>
<tr>
<td></td>
<td>Q3 22</td>
<td>Q3 23 Change Lfl</td>
<td>Q3 22 Q3 23 Change</td>
<td>Lfl Q3 22 Q3 23</td>
</tr>
<tr>
<td>North America</td>
<td>1,583</td>
<td>1,522 -3.9% 0.7%</td>
<td>412 448 8.9% 13.8%</td>
<td>26.0% 29.5% +345 bps +344 bps 326 363 11.3% 16.5%</td>
</tr>
<tr>
<td>West / South Europe</td>
<td>1,619</td>
<td>1,616 -0.2% -0.5%</td>
<td>261 367 40.8% 41.5%</td>
<td>16.1% 22.7% +661 bps +677 bps 173 277 60.0% 61.7%</td>
</tr>
<tr>
<td>North / East Europe</td>
<td>1,001</td>
<td>980 -2.1% 4.3%</td>
<td>258 277 16.8% 28.8%</td>
<td>23.7% 28.3% +457 bps +552 bps 189 230 22.1% 35.6%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>978</td>
<td>949 -3.0% 7.4%</td>
<td>149 178 19.5% 32.0%</td>
<td>15.2% 18.7% +352 bps +349 bps 85 118 39.0% 53.6%</td>
</tr>
<tr>
<td>Africa / Med. Basin</td>
<td>539</td>
<td>464 -13.9% 6.9%</td>
<td>128 121 -5.3% 13.5%</td>
<td>23.8% 26.1% -236 bps +151 bps 101 96 4.1% 16.7%</td>
</tr>
<tr>
<td>Group Service &amp; Other</td>
<td>131</td>
<td>80 -39.5% -39.5%</td>
<td>7 1 -83.7% -83.7%</td>
<td>5.1% 1.4% -376 bps -378 bps 0 -5 N/A N/A</td>
</tr>
<tr>
<td>Total GROUP</td>
<td>5,852</td>
<td>5,611 -4.1% 1.6%</td>
<td>1,193 1,393 16.7% 24.7%</td>
<td>20.4% 24.8% +443 bps +465 bps 874 1,080 23.5% 32.9%</td>
</tr>
</tbody>
</table>

## Operating Result Year to Date [€m]

<table>
<thead>
<tr>
<th>Year to Date [€m]</th>
<th>Revenue</th>
<th>Operating EBITDA</th>
<th>Operating EBITDA Margin</th>
<th>Operating EBIT (RCO)</th>
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<tr>
<td></td>
<td>9M 22</td>
<td>9M 23 Change Lfl</td>
<td>9M 22 9M 23 Change</td>
<td>9M 22 9M 23 Change</td>
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<td>Q3 22</td>
<td>Q3 23 Change Lfl</td>
<td>Q3 22 Q3 23 Change</td>
<td>Q3 22 Q3 23 Change</td>
</tr>
<tr>
<td>North America</td>
<td>3,681</td>
<td>3,956 7.5% 8.8%</td>
<td>722 857 18.7% 20.5%</td>
<td>19.6% 21.7% +205 bps +211 bps 479 623 30.0% 33.0%</td>
</tr>
<tr>
<td>West / South Europe</td>
<td>4,774</td>
<td>4,941 3.5% 4.1%</td>
<td>677 964 42.4% 43.5%</td>
<td>14.2% 19.5% +533 bps +537 bps 414 703 69.8% 72.3%</td>
</tr>
<tr>
<td>North / East Europe</td>
<td>2,670</td>
<td>2,736 2.5% 6.8%</td>
<td>532 590 11.0% 16.9%</td>
<td>19.9% 21.6% +166 bps +190 bps 386 450 16.6% 23.5%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>2,688</td>
<td>2,759 2.6% 9.8%</td>
<td>396 464 17.1% 24.8%</td>
<td>14.7% 16.8% +208 bps +202 bps 212 281 32.6% 41.7%</td>
</tr>
<tr>
<td>Africa / Med. Basin</td>
<td>1,576</td>
<td>1,413 -10.3% 8.7%</td>
<td>380 343 -9.8% 5.8%</td>
<td>24.1% 24.3% +13 bps -67 bps 298 268 -10.0% 7.0%</td>
</tr>
<tr>
<td>Group Service &amp; Other</td>
<td>414</td>
<td>278 -32.8% -32.8%</td>
<td>11 -39 N/A N/A</td>
<td>2.8% -13.9% N/A N/A -8 -57 N/A N/A</td>
</tr>
<tr>
<td>Total GROUP</td>
<td>15,802</td>
<td>16,083 1.8% 6.0%</td>
<td>2,718 3,179 17.0% 22.8%</td>
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</tbody>
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Appendix

Q3 2023 Trading update | Dr Dominik von Achten, René Aldach
Financial Calendar & IR Contacts

Upcoming events:
• 22 February 2024 - Full Year Results 2023
• 21 March 2024 - Annual and Sustainability Report 2023
• 7 May 2024 - Q1 2024 Trading Update
• 16 May 2024 - Annual General Meeting
• 30 July 2024 - Half-Year Results
• 7 November 2024 – Q3 2024 Trading Update

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