

30 July 2024

## **Heidelberg Materials increases result in the second quarter and confirms outlook for 2024**

- **RCO<sup>1)</sup> rises by 5%<sup>2)</sup> in the second quarter to €971 million (previous year: 931)**
- **Margin step change in North America: RCOBD margin<sup>3)</sup> of the Group increases to 23.4%<sup>2)</sup> (previous year: 22.1)**
- **First tranche of new share buyback programme started**
- **Leading in sustainable financing: first green bond placed**
- **Advancing decarbonisation: specific CO<sub>2</sub> emissions reduced by a further 2%**
- **Outlook for 2024 confirmed: result from current operations anticipated between €3.0 billion and €3.3 billion; ROIC expected to be around 10%**

<sup>1)</sup> RCO = result from current operations; <sup>2)</sup> Adjusted for scope and currency effects;

<sup>3)</sup> RCOBD margin = result from current operations before depreciation and amortisation as a percentage of revenue

Heidelberg Materials delivered a good performance in the second quarter of 2024. While revenue declined slightly in comparison with the same quarter of the previous year, by €71 million or 2%<sup>2)</sup> to €5,506 million (previous year: 5,577), the company increased its result from current operations (RCO) by €40 million or 5%<sup>2)</sup> to €971 million (previous year: 931) in a persistently challenging environment. Heidelberg Materials has made further good progress in terms of sustainability. The cement business line's share of revenue from sustainable products rose to 42.8%, and specific net CO<sub>2</sub> emissions fell by about an additional 2%.

“Especially our strong development in North America has contributed to increasing our result and margin in the second quarter again despite the continued slight decline in volumes,” stated Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials. “We remain confident about the second half of the year and confirm our outlook for 2024.

As part of our ongoing portfolio optimisation, we further expanded our presence in the important US market through targeted acquisitions in the second quarter. Together with our UK recycling activities, we will make an important contribution to strengthening our business and expanding our range of sustainable products.”

In the second quarter, the decline in volumes slowed slightly in all business lines compared with the first quarter of 2024. The pressure on volumes is largely attributable to prolonged weak activity in the construction industry and adverse weather conditions in individual core markets. Active cost and price management largely offset the impact. The North American market made a particularly significant contribution to the good development of results. Investments in continuous growth combined with more efficient cost structures and increased production capacities resulting from the commissioning of the state-of-the-art cement plant in Mitchell, Indiana, led to a strong result in North America and an improvement in the RCOBD margin, which increased Group-wide to 23.4% (previous year: 22.1).

#### **First tranche of the second share buyback programme has started**

On 23 May 2024, Heidelberg Materials launched an additional share buyback programme to allow its shareholders to substantially participate in the company's success beyond the progressive dividend policy. The programme has a total volume of up to €1.2 billion and a term running until the end of 2026. The first tranche with a volume of €350 to €400 million is expected to be completed no later than 25 November 2024.

#### **Leading in sustainable financing**

In June, Heidelberg Materials became the first European manufacturer in the heavy building materials industry to issue a Green Bond. The issue volume amounted to €700 million with a term until 2034. The range of projects financed by this bond extends from the modernisation of plants, for example to increase the use of alternative fuels, to the expansion of carbon capture and storage technologies.

#### **Strengthening US business and circular economy**

With the acquisitions announced in July 2024 of Victory Rock, a producer of high-quality aggregates for concrete and asphalt in Texas, Highway Materials, one of the largest independent suppliers of aggregates, asphalt, and recycled materials in the Greater Philadelphia market, as well as Aaron Materials, an established concrete recycling and building materials producer in Texas, Heidelberg Materials is further expanding its presence in two core markets in the United States while adding to its rapidly growing portfolio of circular solutions in North America. In addition, the company recently announced the acquisition of Carver Sand & Gravel, the largest aggregates producer in the Albany, New York, area.

To strengthen its activities in the circular economy sector, Heidelberg Materials acquired B&A Group, one of the leading construction soil and aggregates recycling companies in Southwest England, in May 2024. The acquisition of the Mick George Group, which was announced at the end of 2022, was also completed in May 2024. The company is the market leader in the recycling of construction and demolition waste in the Eastern region of the United Kingdom.

In July, the company opened an innovative recycling plant for selective separation in Katowice, Poland. The first of its kind, it features a crushing mechanism developed in-house that facilitates advanced separation and sorting capabilities so that demolition concrete can be fully recycled and replace virgin materials in concrete production.

### **Important milestones reached on CCUS roadmap**

Heidelberg Materials made significant progress on its ambitious carbon capture, utilisation, and storage (CCUS) roadmap in the second quarter. In Bulgaria, the company successfully completed the construction of a pilot carbon capture installation at its Devnya plant and has been testing the new OxyCal capture technology there since mid-May.

In Germany, Linde and Heidelberg Materials held a groundbreaking ceremony for their Cap2U carbon capture project at the Lengfurt cement plant in June 2024. The world's first large-scale CCU facility at a cement plant is scheduled to go into operation as early as 2025 with a capture capacity of around 70,000 tonnes of CO<sub>2</sub> per year. Due to its purity, the processed gas will be suitable for use in both the chemical and food industries.

### **Outlook for 2024 confirmed**

The company anticipates that demand in the construction sector will stabilise at a low level globally, even though inflation and persistently high financing costs are likely to continue to have a negative impact on residential construction in particular. We continue to expect that cost developments on the energy and raw materials markets will remain volatile. We will therefore maintain our focus on price adjustments and strict cost management.

Against this backdrop, Heidelberg Materials confirms its outlook and expects the result from current operations (RCO) for the 2024 financial year to be between €3.0 billion and €3.3 billion. ROIC is anticipated to be around 10%. The Managing Board expects a further slight reduction compared with 2023 in specific net CO<sub>2</sub> emissions per tonne of cementitious material.

An overview of our financial figures for the first half of 2024 can be found in the Half-Year Financial Report 2024 and in Business Figures January to June 2024 under [Reports and Presentations \(heidelbergmaterials.com\)](#).

**About Heidelberg Materials**

Heidelberg Materials is one of the world's largest integrated manufacturers of building materials and solutions with leading market positions in cement, aggregates, and ready-mixed concrete. We are represented in more than 50 countries with around 51,000 employees at almost 3,000 locations. At the centre of our actions lies the responsibility for the environment. As the front runner on the path to carbon neutrality and circular economy in the building materials industry, we are working on sustainable building materials and solutions for the future. We enable new opportunities for our customers through digitalisation.

**Contact**

Director Group Communication & Investor Relations  
Christoph Beumelburg, T +49 6221 48113-249

[info@heidelbergmaterials.com](mailto:info@heidelbergmaterials.com)