Building the Digital Ecosystem for the Heavy Building Materials Industry – HeidelbergCement partners with Thoma Bravo and invests in Command Alkon

Dr. Dominik von Achten, CEO
Dennis Lentz, CDO

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Our strategic framework “Beyond 2020“ sets the stage for this deal

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<th>Simplify &amp; Improve</th>
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- Further improving commercial & operational performance
- Shifting portfolio focus to core markets
- Simplifying business processes and setup
- Leading the way to carbon neutrality
- Enabling a step change in business excellence

Deliver sustainable shareholder value
THE FIRST INDUSTRIAL TECH COMPANY IN THE SECTOR.

WE ARE ACCELERATING THE PACE.
WE ARE ALREADY LEADING THE WAY IN THE DIGITALIZATION OF OUR INDUSTRY AND LIFTED CUSTOMER EXPERIENCE IN MANY WAYS.

- **H CONNECT**
  We create the best end-to-end experience for our customers with web and mobile apps.

- **H PRODUCE**
  We drive efficiency in our operations through smart, digital solutions.

- **H SERVICE**
  We further streamline our back-office processes through automation and seamlessly connected systems.
FROM ZERO TO 18,000+ MONTHLY ACTIVE USERS IN TWO YEARS...

± 50% GLOBAL SALES COVERAGE
> 80% CUSTOMER RETENTION
LIVE IN 12 COUNTRIES

...ON ONE GLOBAL, CENTRAL CUSTOMER-FACING PLATFORM

100% OUR INTELLECTUAL PROPERTY

WE KEEP OUR CUSTOMERS AT THE CENTER OF OUR THINKING

Orders, tickets and invoices—all in one place

Manage and track deliveries in real time
Vertical integration: We bring a second, digital life to our assets

UNTIL NOW OUR OFFLINE MATERIAL FLOWS HAVE BEEN THE SYNERGETIC FUEL TO DRIVE VERTICAL INTEGRATION

DATA UNLOCKS NEXT GENERATION OF VERTICAL INTEGRATION FOR HEIDELBERGCEMENT
THOMA BRAVO PARTNERSHIP - COMMAND ALKON MINORITY INVESTMENT

Taking our digital strategy to the next level with Thoma Bravo

A LEADING GLOBAL BUILDING MATERIALS PLAYER

LEADING SOFTWARE INVESTMENT FIRM (over $83 billion in AUM)

COMPETENCIES
- Deep domain know-how of the industry
- Track record in execution
- One global customer-facing platform

SCALING ENABLER

BUILD THE DIGITAL ECOSYSTEM OF THE HEAVY BUILDING MATERIALS INDUSTRY TOGETHER

COMPETENCIES
- Extensive software and operational expertise
- M&A expertise and extensive network of relationships

TECH & GROWTH DRIVER
OUR INDUSTRY-CHANGING FIRST MOVE.

- INVEST IN LARGE INSTALLED USER BASES
- DEVELOP NEW PRODUCTS IN PORTFOLIO COMPANIES
- MORE TO COME SOON

45%
Command Alkon is the ideal fit to realize our ambitious strategy

Most widely used ‘system of record’ in our industry

Company Profile

- System of record for RMC, aggregates, cement and asphalt business
- Products and Services: Batching, telematics, quality control software and hardware
- Clear market leader with strong North American market share in RMC, aggregates and asphalt-related software

Revenue Streams

- Sale of licenses and maintenance for industry-specific software solutions
- Increasing share of cloud subscription sales
- Sale of hardware for connecting plant infrastructure to these software solutions
Command Alkon covers core digital needs of the Heavy Building Materials Industry

**MOBILEsales, Insights**
- Business intelligence, Data aggregation, Forecasting

**CONNEX Jobsite, Cseries, MOBILEconnect**
- Digital ticketing, Mobile solutions, Collaboration portal

**Batch, Libra, Apex, supplyCONNECT**
- Plant/ Quarry automation, Materials control, Supply chain management

**Command Alkon**
- Full quality control toolset including In-transit monitoring, Automatic alerts, Mix adjusting

**Telematics & dispatch**
- Fleet tracking, Fleet safety, Monitoring, Dispatch optimization

**TrackIT, COMMANDoptimize, Tfleet**
- Fleet tracking, Fleet safety, Monitoring, Dispatch optimization

**COMMANDassurance, COMMANDqc**
- Business analytics

**Orchestration**

**Production**

Note: Does not show all products available
THE POLE POSITION TO BUILD THE DIGITAL ECOSYSTEM FOR OUR INDUSTRY.

LARGEST INSTALLED USER BASE IN HEAVY BUILDING MATERIALS INDUSTRY

- 60M+ TICKETS SHARED ON CONNEX
- 20K+ SITES USING AT LEAST ONE PRODUCT
- 75K+ TRUCKS WITH TELEMATICS
- 2.5K+ CUSTOMERS
- >80% OF REVENUE FROM CUSTOMERS USING MORE THAN ONE PRODUCT

TO DRIVE SIMPLICITY, CUSTOMER SERVICE AND DIGITALLY ENABLED SUSTAINABILITY
5 growth levers in the partnership with Command Alkon

**COMMAND ALKON ORGANIC GROWTH**
- Margin improvement through SaaS (Software as a Service)
- Cross-selling opportunity
- Enlarge US AGG customer base

**HEIDELBERGCEMENT PRODUCT ADOPTION**
- Adoption of Command Alkon products
- Setting of regional industry standards
- Higher data volumes for platform products

**SYNERGIES**
1. **HC AS ONLINE & OFFLINE INDUSTRY PARTNER**
   - Better & new products
   - Inter-nationalization
   - Network effects
   - Accelerated organic growth

2. **INORGANIC GROWTH**
   - Use Command Alkon as a strong digital M&A platform
Deep dive into specific Command Alkon Products – COMMANDassurance

- 3 sensors on a truck to predict slump and later air
- Reduce cycle times and safety risk
- Improve quality compliance
- Sustainability benefits: less concrete waste, recipe optimization for a reduced CO₂ footprint

**INDUSTRY KNOW-HOW INJECTED INTO CONTINUOUS PRODUCT DEVELOPMENT**

**PAVE WAY TOWARDS NON-US MARKETS, MAKE QUALITY PREDICTIONS ACCEPTED BY LOCAL AUTHORITIES**

**CREATE ONLINE LEADS VIA HCONNECT**

**CREATE OFFLINE LEADS VIA OUR CEM/AGG SALES TEAMS**
**THOMA BRAVO PARTNERSHIP - COMMAND ALKON MINORITY INVESTMENT**

Deep dive into specific Command Alkon products – CONNEX Jobsite

- Seamless digital connection of all contributing parties to a successful heavy building material delivery
- Easy to switch for existing Command customers
- Reduced transaction cost, less paper chaos, faster paid invoices

**NETWORK EFFECT CAUSED BY 7.7 MILLION HC TICKETS IN NAM**

**CREATE ONLINE LEADS VIA HCONNECT**

**CREATE OFFLINE LEADS VIA OUR RMC SALES AND FLEET TEAMS**

**PAVE WAY TOWARDS NON-US MARKETS**
‘The Big Plus’ – How do HeidelbergCement customers benefit?

**THOMA BRAVO PARTNERSHIP - COMMAND ALKON MINORITY INVESTMENT**

- INCREASED EASE OF DOING BUSINESS
- BETTER SOLUTIONS FOR DAY-TO-DAY PAIN POINTS
- QUICKER AVAILABILITY OF NOVEL DIGITAL SOLUTIONS
- TRANSPARENT INDUSTRY STANDARDS FOR SEAMLESS CONNECTIVITY
- BEST OF BOTH WORLDS: “DEEP” BEST-IN-CLASS AND “BROAD” STANDARD SOLUTIONS
- MORE DIGITAL IDEAS FOR THE BUSINESS
- ACCELERATION TO SUSTAINABILITY EFFORTS

**BEST SOLUTIONS** FOR DAY-TO-DAY PAIN POINTS

**QUICKER AVAILABILITY** OF NOVEL DIGITAL SOLUTIONS

**TRANSPARENT INDUSTRY STANDARDS** FOR SEAMLESS CONNECTIVITY

**BEST OF BOTH WORLDS**: “DEEP” BEST-IN-CLASS AND “BROAD” STANDARD SOLUTIONS

**MORE DIGITAL IDEAS** FOR THE BUSINESS

**ACCELERATION TO SUSTAINABILITY** EFFORTS
Pathway to building the digital ecosystem for Heavy Building Materials Industry

**Strategic partnership**

Thoma Bravo as established innovation & growth driver…

... with HC as rapid scaling enabler…

**Anchor investment**

Investment in the leading digital player of our industry, to …

... build the digital ecosystem for the Heavy Building Materials industry

... while ensuring Command Alkon’s independence (e.g. strict data governance)

**Better together**

Command Alkon’s strong foundation, paired with its innovative product offerings + HC’s deep domain know-how and global, central digital customer access = capturing the value upside of the industry’s digitalization

**Vision**

First step for HC towards target portfolio…

... to crystalize the value of HC’s digital potential
Synergies from HC’s contribution of offline assets make the deal very attractive

**HeidelbergCement Deal Contribution**

- **Approx. $1.7 billion valuation** for Command Alkon
- **Approx. $250 million cash out** for HC for 45% stake
- **HConnect remains under complete ownership & control** by HC (customer interface, IP)
HC & Thoma Bravo team up to build the digital ecosystem of Heavy Building Materials

- **First anchor investment** in Command Alkon, the leading supply chain digital solutions provider for heavy building materials
- Contributing its digital and offline asset potential allows HC to acquire a **strategic minority stake (45%)** in Command Alkon, a $1.7 billion valued company, for approx. $250 million
- HC’s minority position ideal to maintain **Command Alkon’s independence** (e.g. strict data governance)
- Partnership with Thoma Bravo targets **high growth rates** through innovative **cloud-based services** and **bolt-ons**
- Deal allows HC to **capture the value upside** of the industry’s digitalization
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