

Annual General Meeting 2025 of Heidelberg Materials AG

Speech by Dr Dominik von Achten
Chairman of the Managing Board

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The spoken word applies.

Ladies and Gentlemen,
Dear Shareholders,

I would like to welcome you to this year's Annual General Meeting. I greatly appreciate your interest in Heidelberg Materials.

Let me start by inviting you to a short thought experiment: When you think of our business at Heidelberg Materials, what is the first thing that comes to your mind?

Perhaps our green truck mixers which you have surely seen on the road before? Or rather the houses and bridges that withstand the most difficult weather conditions thanks to our robust concrete? Or maybe our increasingly sustainable building materials, which are introducing a new era of construction?

Whatever came to your mind, I'm sure you weren't thinking of "data"! Yet, this is precisely where great potential lies. It's no secret that the digital future lies in the cloud – and so does the future of our industry. This is especially the case here at Heidelberg Materials. For years, we have been working successfully at our company and with our partners to digitise and reinvent our own and the entire industry's core processes.

As you can see, digitalisation and the use of data will also make the difference when it comes to sustainability. In the next few minutes, I would like to share with you how we have further strengthened our foundation for a successful future over the past year and how we will continue to do so in the years to come.

We can only successfully shape our transformation if our business is also doing well. I am proud that we can look back on a very good financial year 2024. Despite declining volumes, Group revenue remained at the previous year's level at €21.2 billion. Thanks to our strict cost management, the result from current operations rose by 6 percent to a new all-time high of €3.2 billion. Adjusted earnings per share rose significantly by 11 percent to €11.9.

As in the previous year, the return on invested capital reached a value of around 10 percent. Our free cash flow amounted to a very good level of €2.2 billion. At 1.2x, the leverage ratio was at the previous year's level. Specific net CO₂ emissions fell by a further 1.3 percent to 527 kg per tonne of cementitious material.

The positive performance of our share price in the past financial year impressively reflects the success of our business. While our share price already rose by 52 percent in 2023, we have achieved an increase of 130 percent since the beginning of 2024. During the same period, the DAX rose by 39 percent. We thus significantly outperformed the leading German index.

Our performance in the past financial year is all the more impressive when we look at the challenging environment. The world has changed rapidly, especially in the last year. And it will continue to do so.

We are active in around 50 countries. As a result, armed conflicts, political upheaval, and a sluggish economy in some regions have a direct impact on our employees, our production, and our business activities. But especially in challenging times, resilience, which is at the core of our DNA, pays off: We at Heidelberg Materials won't be diverted from our course!

For example, in Brevik, Norway, where our preparations are in full swing for the grand opening ceremony of the world's first CCS facility at a cement plant in June. We have already successfully captured, liquefied, and temporarily stored 1,000 tonnes of CO₂ as of 9 May as part of the plant's ramp-up. This is how evoZero, the world's first – and for several years the only – cement that enables net-zero concrete, comes to life. A milestone in our industry. Another important milestone is last month's commissioning of the world's largest calcined clay plant in Tema, Ghana, with a capacity of more than 400,000 tonnes per year. Calcined clay makes it possible to largely replace the CO₂-intensive clinker in cement.

I am very proud of our teams in Brevik, Tema, and around the world: Together, they are driving our lighthouse projects forward. In this way, we are not only building our own future, but also the cities and infrastructure of the future.

As you can see, even in economically and politically turbulent times, we are sticking to our transformation and are shaping it with full conviction. We can feel *and* measure our progress already: Today, we generate 43 percent of our revenue in the cement business line with sustainable products. By 2030, we aim to increase this figure to over 50 percent across our entire portfolio.

In this context, we launched evoBuild, our new global brand for low-carbon and circular products, in 18 countries, including our home market of Germany. Our admission to the Dow Jones Sustainability Index, one of the most prestigious indices in this field, underscores the successful implementation of our ESG agenda for social, environmental, and corporate governance issues.

In addition to progress in the area of sustainability, we are consistently pursuing our growth strategy. As part of our portfolio optimisation, we have strengthened our presence in core markets with strategic acquisitions and disposals.

In North America and Asia-Pacific in particular, we made several acquisitions where growth and sustainability complement each other perfectly. These include the acquisitions of Giant Cement Holding, an established cement manufacturer on the East Coast of the US, and ACE Group, the largest supplier of pulverised fly ash in Malaysia.

In order to continue the transformation even in a dynamic market environment, we have also been further reducing our costs and driving innovation. In November, we announced our initiative to accelerate our transformation. By the end of 2026, we aim to achieve annual savings of €500 million. The initiative has already made a significant contribution to results in the first three months of 2025 with savings of approximately €50 million.

One example from the initiative that combines cost discipline, efficient processes, and digital innovations is HROC. HROC stands for “Heidelberg Remote Optimisation Center”. This is our state-of-the-art control center in Dallas, Texas, from which we can control and support the operation of 12 North American plants.

There, we bundle a large amount of data from various locations across the continent. We then use this data to make data- and fact-based decisions. This allows us to further increase our productivity while reducing our CO₂ emissions through process optimisation and energy savings.

Another nice example where digitalisation fuels efficiency is our partnership with Pronto, a leading innovator in autonomous haulage systems. In the initial stage, we will convert over 100 haul trucks to autonomous operation at more than a dozen sites worldwide. The scalable solution leverages advanced sensors, cameras, and artificial intelligence to retrofit existing transport vehicles and operate them autonomously in complex and dynamic environments. This way, we are enhancing production efficiency, safety, and sustainability efforts while also addressing the shortage of skilled operatives in this field.

Even if we do everything we can to ensure that it succeeds, the transformation is and will always be a joint effort. On the one hand, we need a strong team across the globe, which I am very proud of. On the other hand, it can only be successful if we work closely with politicians. We are ready to make our contribution. .

Take Germany as an example. The country faces major structural challenges. It needs a government that is prepared to take responsibility, act decisively, and create a smart framework for long-term investment.

The recently adopted special infrastructure fund is certainly a crucial impulse. However, money alone is not enough for long-term competitiveness, no matter where in the world you are. Important foundations for a sustainable recovery include a reduced bureaucracy, faster planning and approval procedures, competitive energy prices as well as incentives for switching to sustainable products, to name just a few points.

I am confident and have great faith that moments of truth also hold opportunities. Together, we can tackle the challenges of our time. We are therefore proud to be able to rely on *your* trust, dear shareholders. It is also thanks to you that we can drive our transformation forward with great strides, even in turbulent times.

It is important to us to share this success with you. That is why we are continuing our progressive dividend policy: Today, we will propose to you a 10 percent increase in the dividend to €3.30 per share. Our focus on shareholder return is also evident from the share buyback programme launched last year with a volume of up to €1.2 billion until 2026.

As part of the first of three tranches, treasury shares were repurchased at a total price of around €350 million in November 2024 and cancelled in February 2025. The second tranche will start in this quarter. Following an already strong year for our share, the sustained upward trend continues in the current year. Since the beginning of the year, our share price has risen by 55 percent.

Looking back at the first quarter, we have made a very good start to the 2025 financial year. We increased our revenue by 5 percent to €4,715 million. The result from current operations rose by €3 million to €235 million.

We therefore have every reason to be optimistic about the current year. For the 2025 financial year, we expect demand in the construction sector to stabilise at a low level. Cost developments in the energy and raw materials markets remain volatile. The focus will therefore continue to be on price adjustments and strict cost management.

We expect the result from current operations to be between €3.25 billion and €3.55 billion for 2025. The return on invested capital is forecast to be around 10 percent. We anticipate a further slight reduction in specific net CO₂ emissions.

I would like to conclude my speech by expressing my sincere thanks to our employees, suppliers, customers, partners in politics, and, of course, you, our esteemed shareholders. Only together we are strong and able to seize opportunities and continue to shape the future of our company successfully.

The week after next, at our Capital Markets Day in Brevik, Norway, we will present our new strategy, which outlines our targets for 2030 and the measures required to achieve them.

I look forward to exciting times ahead in which we at Heidelberg Materials continue to make a noticeable difference in our industry.

Thank you very much!