

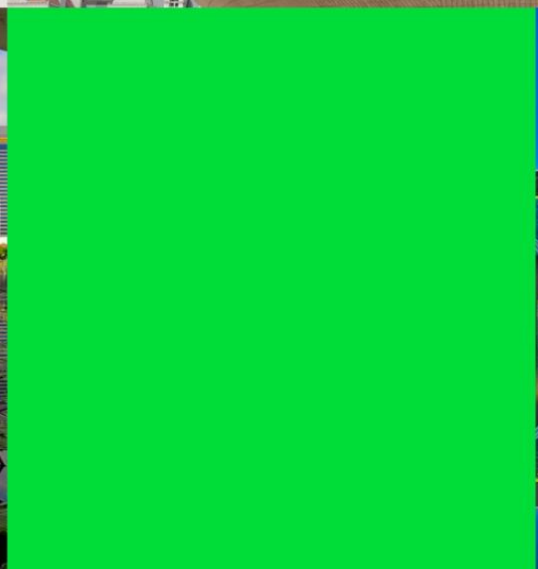
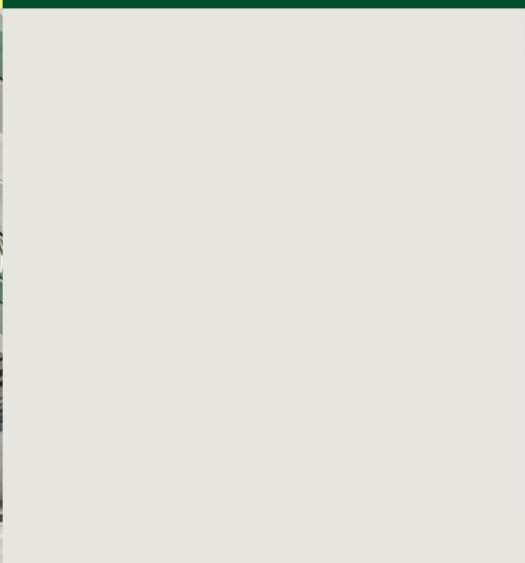
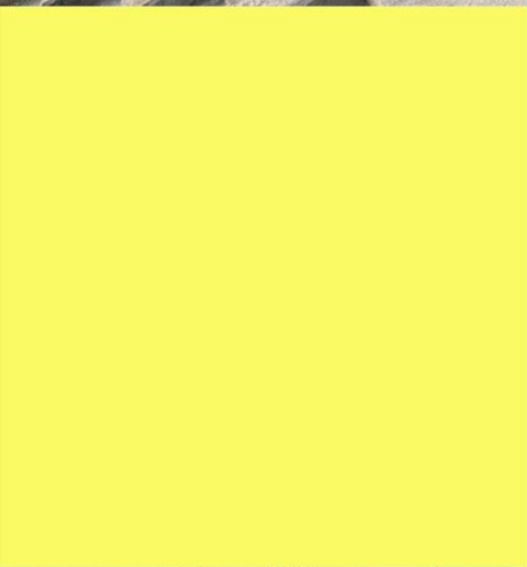


# Capital Markets Day

28 May 2025

Keynote

Dr Dominik von Achten, CEO



## ***The spoken word applies.***

Good morning.

Thank you for making the journey all this way. We really appreciate it, and we are happy to have you all with us. And a big welcome to everyone who joins us online.

I hope you agree, this location is very special. Well, a special location for very special times. And these are very special times, on many levels.

You all know that – after water – concrete is the most used material in the world. In fact, it is the most used man-made material ever. It is critical to our everyday lives. Everywhere.



Concrete is used to build schools, hospitals, private homes, office buildings, warehouses, data centres, roads, tunnels, bridges, and many more structures. It is versatile, durable, fire and heat resistant, sound absorbent, 100% recyclable, and: It is locally produced and sold. In short: concrete is essential for building a sustainable society. It is here to stay.

In fact, more than that. Like water it will become significantly more important. I know you know that – but let's remind us: The world is facing an unprecedented wave of investment into construction.

As a world and as an industry, we are at an inflection point.

We cannot build anymore like we always did.

The climate challenge demands change. The future demands change.



This is why we are here in Brevik. To show you that change is coming. In fact: It is already here! And to show you that we at Heidelberg Materials are going to lead that change.

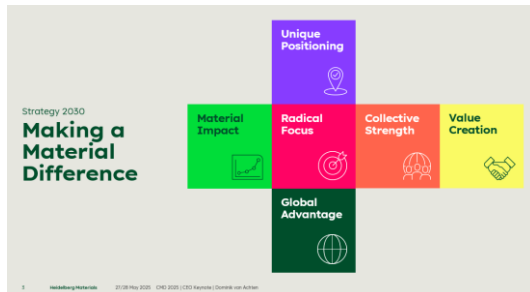
Behind us is an icon of that change. Not just for Heidelberg Materials, but for the global construction industry. The world has waited for this moment for centuries: The first fully-decarbonised cement and

concrete – evoZero. Heidelberg Materials is revolutionising the industry with evoZero. Welcome to Brevik. Welcome to this new era. Welcome to the first moon landing of our industry.

This facility, and others in the future will allow the most innovative and progressive building and infrastructure owners to create completely decarbonised structures from now on. With new materials

but – and this is critically important – with the known and trusted concrete properties. Those properties used to come with a high-carbon intensity. From today, this will be history. Hello future!

Erasing the only disadvantage, concrete becomes the most sustainable building material on the planet.



With this in hand, Heidelberg Materials – we as a team – will embark on a path of growth and profitability acceleration until 2030. We will make THE material difference!

- We capitalise on global trends and growth opportunities and are **uniquely positioned** to leverage these for sustainable concrete applications. We are best placed to ride these waves.
- We execute a disciplined pure-play strategy in the most attractive markets with a **radical focus** on concrete applications.
- We drive differentiating success across geographies and businesses through our **global advantage** along three distinct value drivers: sustainability, digitalisation, and technical excellence.
- This is only possible because we can rely on the **collective strength** of the best team in the industry, a one-of-a-kind combination of “local, P&L-owning entrepreneurs” and “innovators that actively embrace change and global best practice learnings”.
- We build on a strong track record of profitable growth over the last few years, making a **material impact** to our customers, our shareholders, and the society at large.
- Against this backdrop, we will accelerate growth and profitability in the next years, **creating** even higher sustainable **value** for our customers and shareholders.

Let me walk you through these key themes. Let’s lift the curtain together.

## 1) Unique positioning – riding the wave





For many years – even decades –, our industry has had what I like to call a ‘rusty and dusty’ image. There’s still a little rust and dust about. But the stereotype has lagged our reality. As Heidelberg Materials, we are at the cutting edge of some revolutionary changes in the world. In fact, we are inventing them. Not only that: we are leveraging them for financial success.

We are changing us, the way we operate, think, and act. We change our mindsets – and that of our customers. But to be very clear, this is not technology and innovation for its own sake. We are building on what we do best: finding ways to do it more efficiently, at lower cost, and more competitively.

We are changing our product portfolio. We are changing the way how we make our products, we change our processes, and we innovate around digital.



We are living in a ‘Material World’ as the British author Ed Conway wrote recently.

Megatrends are providing a bigger tailwind than ever before. We are witnessing the biggest waves of capital investment in history. I know you know this. But let me stress it: my kids use the word “mega” somewhat inflationary – in this case I would say this is really appropriate! And Heidelberg Materials is at the heart of it.



We are in the right places, at the right time, with the right products and the right sales approach to capitalise on these large-scale global trends and growth opportunities. And most importantly: We have the best team in place to pull this off.

We are going to give you many data points over the course of today, but if there is one thing that I would like to get across today: We will be the winners riding these waves.

## Wave 1: Energy transition



Let me give you some examples. Let's look at new gas turbines, wind farms and nuclear power plants:

- Simply replacing one gas turbine power station with enough renewable electricity to supply 100,000 homes means building 20 large wind turbines with a big material footprint: They need 50,000 tons of concrete, compared to 2,000 tons for a traditional power plant. That's 25 times the amount of concrete.
- Or take battery storage: There is 160 GW of installed capacity by 2024. The international energy agency assumes that we need to get to 1,200 GW in just five years – a seven-times increase. This needs about 4 million cubic metres of additional concrete p.a.
- A 10 GW nuclear power also needs 4 million cubic metres of concrete – about the same amount – more than our annual sales in the UK or Germany. You may have read about the plans of the U.S. administration to have 10 new nuclear power plants in construction by 2030.

## Wave 2: Infrastructure rebuilds and newbuilds



- There are more than 43,000 bridges across the United States and over 6,000 bridges in Germany that need to be replaced.
- The German railway system – famous for its unreliability – needs investments of 150 billion Euros until 2030.
- Morocco plans to increase airport capacity from 30 to 80 million passengers until 2030.

### Wave 3: Housing and urbanisation (especially in Emerging Markets)



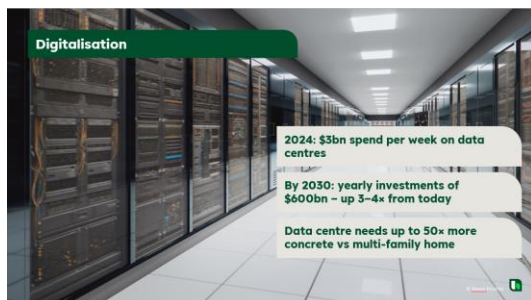
- The world needs to build 96,000 homes every day to house the growing global population. Africa is urbanising faster than anywhere else on the planet. By 2040, Africa will be home to 31 cities of more than 5 million people. Today, Heidelberg Materials is present in 9 of those mega cities.
- Let's look at the housing shortage in Europe. Just take the Netherlands, with 18 million people only 4% of the EU27 population. They alone must build 900,000 additional flats until 2030 – more than 10% increase from the total flat base in the Netherlands.

### Wave 4: Defence revamping (especially in Europe)



- The increase in defence spend in Europe from 2% to 3% of the GDP adds about 200 billion Euros per year to the total budget.
- Thereof, 10-20% or 20-40 billion Euros per year will be spent on infrastructure, such as shelters, barracks, storage buildings, warehouses, and military airfield and seaports.

### Wave 5: Digitalisation with exploding demand for data centres



- Most of the research institutes estimate that global demand for data centre capacity could more than triple by 2030, with yearly investments increasing up to 600 billion USD.

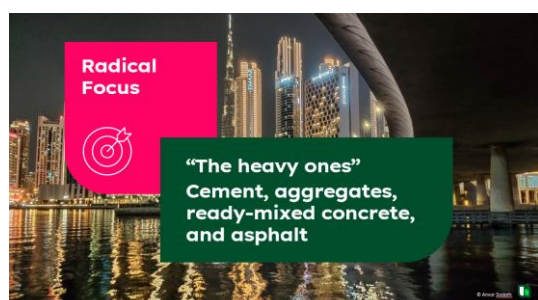
- Cloud service providers like Amazon Web Services, Alibaba, Google, IBM, Microsoft, and Oracle are investing billions of dollars in building data centres around the world. They are already investing a mind boggling 3 billion USD per week in data centres.
- Just to be more specific, the estimated amount of concrete for a data centre is 45,000 cubic metres. In comparison: a single-family home needs 80-120 cubic metres of concrete, a multi-family home 500-1,500 cubic metres.

Wow – don't you think? Each of one these five waves is massive. Combining them... I leave it up to you to imagine.

Yet some observers still perceive our industry as mature, standing still, being boring. Let me tell you: this could not be further from reality. As you just saw, the opposite is true. We are convinced that there is plenty of excitement in this industry, with Heidelberg Materials at the heart of it.

Rest assured: We will **make THE material difference**. We are here today to show how we make this happen and what this transformation means for you, our investors, and for the future of our industry. This shift is significant – get ready.

## 2) Radical Focus



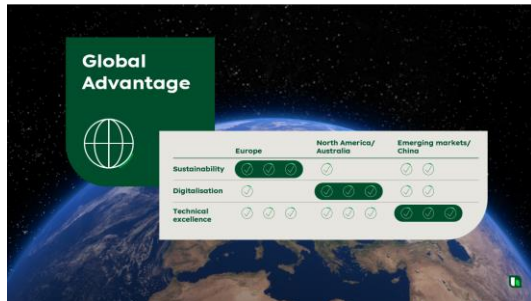
We are very clear about who we are, and how we will continue to be successful. This enormous task demands all our energy, and we must not get distracted. We are committed to a **disciplined strategy of being a true heavy building materials company**, focusing on sustainable product applications of cement, aggregates, ready-mixed concrete, and asphalt.



Since 2021, we have made 31 acquisitions and 12 disposals. We focused on our core markets and made our position in them stronger. Where we analysed that there were better owners, we sold our business.

We continue our diversified presence across geographies – capturing different stages of the economic cycle –, optimising our portfolio by prioritising markets with strong growth profiles.

### 3) Global Advantage



“All business is local.” I am sure you have heard this many times. Well, I have been long enough in this industry to know that this mantra has changed as well. Of course, we still need local roots, local approaches. But to be successful, this alone is not sufficient anymore. Driven by the massive progress in technology, transparency, and communication, ideas and practices move much faster from one place to the other.

So, if you get this right, you make THE difference. That’s us!

We are not just a collection of local markets. We are driving success across our geographies and businesses by being a locally rooted, globally connected, efficient, and digitally empowered global leader in heavy building materials.

We are continuously improving our global advantages along three platforms: sustainability, digitalisation, and technical excellence. We have adjusted our organisation accordingly – you will get a deep dive into each of the topics from my colleagues in just a few minutes.

Let me give you a sneak preview:

#### 1. We are the global leader in sustainability



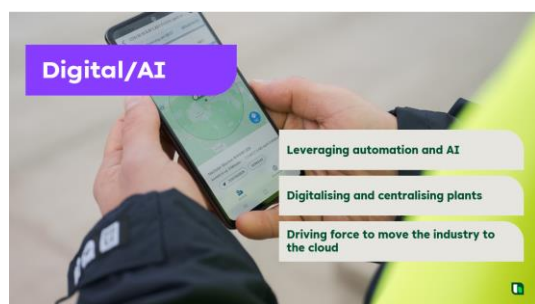
- We set ourselves the most ambitious emission reduction targets. With the most attractive business case.



- **evoZero** is a revolution invented in Europe and commercialised globally, with a focus on Europe for now. Our first mover advantage and scale allow us to drive significant value for our customers as the supply of carbon captured net-zero cement is very scarce and demand for it continues to grow. For now, we are not addressing the main market, but a hugely attractive small segment at the cutting edge.  
One point to note: CCUS is technically ready at industrial-scale – with a sound business case. But I am not fooling myself that the next challenge is just around the corner: scaling evoZero, scaling CCUS! Rest assured that we are already working hard on this next nut to crack.
- **evoBuild**, the brand name for our ultra-low and low-carbon products, is marketed all across the world but will play an even stronger role in Europe when EU-ETS will further reduce the free allocation of carbon allowances from 2026, reinforcing our ability to lead on pricing and sustainability.
- **Supplementary Cementitious Materials, Alternative Raw Materials, and Alternative Fuels** will be accelerated both in Europe and globally.

It's so exciting that I would love to tell you more about it, but I do not want to steal Katharina's thunder.

## 2. We are the frontrunner in digitalisation



- **HConnect**, our customer facing digital platform which started in North America, is now connecting us with more than 25,000 customers in more than 20 HM countries – real-time and 24/7.
- We started digitalising and centralising our cement plants with **HProduce** in Europe and are now bringing the concept to the next level in North America with **HROC**, our Heidelberg Remote Operation Centre.
- We leverage automation and AI to further advance our business case.
- We leverage automation and AI to further advance our business case. With our investments into Command Alkon and Giatec, we are the driving force in moving the industry to the cloud, making our own business better, increasing connectivity with our customers, and driving the value of our investments.

I could go on and on about this, but honestly, Dennis is far better equipped for that.

### 3. We create value through technology: leading in efficiency and scaling of innovations



- We do competitive global benchmarking and best practice exchanges across all regions and business lines.
- We learn from our most cost-efficient production in countries like China, Turkey, Egypt or Morocco and deploy these best practice processes everywhere in the world.
- We scale up piloted automation and AI applications for global roll-out.

This is only a sneak preview – Axel is the one to share with you what he is driving.

We are leveraging these functional topics across our entire organisation and bring them to life in our regions and countries. How does this work in two of our key regions, Europe and North America?

Let me share with you how we leverage platforms in some of our geographies. Jon, Chris, don't worry, I will save the best for both of you to present – you and your teams do the heavy lifting.

#### 1. Europe – “Profitable growth on a reshaped asset base”



Europe is on the verge of a demand rebound, and we are primed to capitalise on this shift. Underlying market demand will force a demand uplift, also driven by stimulus programmes in various countries.

- 65 - 100 billion Euro in grid investment across Europe by 2030 will drive major demand for construction, electrical, and industrial services.
- Germany's 500 billion Euro stimulus plan will drive the local economy and will have spill-over effects into other European countries.
- And, in parallel, we are making a step change in efficiency by continuing to redesign our asset base in Europe.

So, as demand rebounds, we expect a significant upward swing in profitability driven by our leading market positions and high operational leverage. Decarbonisation will drive further growth, our low- and zero-carbon product range will be major value drivers.

## 2. North America – “Poised for growth, prepared for volatility”



In North America, we see strong demand growth driven by long-term structural trends requiring more building materials:

- The 1.2 trillion USD Infrastructure Investment and Jobs Act is driving multi-year growth in roads, bridges, and utilities.
- The North America data centre construction market, valued at 89 billion USD in 2022, is projected to reach 165 billion USD by 2030, growing at a compound annual growth rate of 8.1%.
- The re-industrialisation in North America will lead to sizable investments. Examples are the announced multi-billion USD investments in the United States over the next years from companies like Abbott Laboratories, Apple, Johnson & Johnson, Merck, Roche or TSMC, just to name a few.

We are uniquely positioned to capture strong growth from these investments in North America. Through our digital and AI-based solutions, we will substantially accelerate this profitable growth – and make it over-proportional.

In the meantime, – you never know what happens – we stay flexible to adjust our cost base during volume volatility.

Who better than Chris could give you further details later.

### 3. Emerging Markets – “Growing population and asset light”



Yes, the past years have not been the decade of the Emerging Markets. True! But it is also true that structural growth in emerging markets will drive demand over the next years.

- Urbanisation, combined with the overall growth of the world’s population will add another 2.5 billion people to urban areas by 2050. Not in Europe, not in North America, not in Latin America – close to 90% of this increase will take place in Asia and Africa.
- The Indonesian population will reach almost 300 million in 2030, a 10% increase compared to 2020. On the back of this, the cement market in Indonesia is estimated to grow by a compound annual growth rate of 3% until 2030.
- Africa’s cement market is projected to grow from approximately 35 billion USD in 2024 to around 42 billion USD by 2030, with a compound annual growth rate of 4.7% during this period.

We are perfectly positioned to capitalise on these growth opportunities:

- We are the clear market leaders in Tanzania and Ghana, two of the sizable and fastest growing countries in Sub-Sahara.
- We have a strong number two position in Indonesia, one of the biggest and fastest growing economies in Asia, optimising our footprint to capture additional growth and drive profitability up.

And very importantly: In the Emerging Markets, I am always fascinated how we are “making more out of less”. We have many capital-efficient operations, such as in Ghana and Tanzania, amongst others, with a return on invested capital significantly above the Group average. We plan to build on this as we are leapfrogging a heavy asset base. We run a superior asset light model – instead of capital-intensive clinker plants, we deploy capital and cost-efficient cementitious assets across the continent.



#### 4) Collective Strength



Now, this is all very exciting – but who makes it happen? At Heidelberg Materials, we can build on the collective strength of our high-performance team around the world. Just over 50,000 people led by a great management team of P&L-owning entrepreneurs, complementing their local ambitious agenda with global best-practices and a relentless drive for rigorous change, creativity, innovation. And: very good financial results.

Teamwork is deeply rooted in our DNA and the key ingredient to our success. We are real doers, and everyone is committed to making a true impact, shaping a sustainable, innovative, and resilient future of our industry. I couldn't be prouder of this team.

But first and foremost: It's all about a different mindset and a cultural shift within Heidelberg Materials. We have changed and will continue to change the company for the better, taking more and more of our team members along. To be very open: We certainly do not have all the answers. We don't know today what we will learn tomorrow. But we have trained our muscles to react quickly, turn around if necessary and trust in ourselves that eventually we make it happen. And we have the dedication to make THE difference.

For you to experience this change firsthand, we are deliberately presenting our story going forward with seven members of our management team. Hearing it from me is one thing, hearing it from all of us is the real thing.

## 5) Value Creation



I know you are waiting for the numbers – what does this all lead to. Let me bring this altogether. We are executing a strategy that generates real and sustainable value for customers and shareholders. And we are focused on the future, setting ambitious targets for the next five years.



Until 2030, we strive to increase our RCO (result from current operations) by 7 to 10% p.a. and bring our ROIC (return on invested capital) up to around 12%. And we expect our specific net CO<sub>2</sub> emissions to reduce to below 400 kg per tonne of cementitious material.

With this platform in place, we are in a stronger position than ever to accelerate growth, we maximise value from sustainability – especially evoZero –, scale our leadership, and grab opportunities ahead.

René is the right person to lead through more details, including the financial impact of evoZero and this new reality here.

## 6) Material Impact



You may ask yourself: “So much growth potential, an ambitious sustainability and digital agenda, significant scaling of technical innovation, a step change in Europe and growth plays in North America and the Emerging Markets – can they deliver on this?”

Well, let’s do a quick check how we did against our ambitious mid-term targets that we set for ourselves back in May 2022, almost three years ago: We have not only delivered but over-delivered against all of them. René will give you the numbers.

We have not only walked the talk, but we are convinced – and I am sure you are too – that we will just do it again!



Enjoy the presentations from Katharina, Dennis, Axel, Jon, Chris, and René. Great team play!

I’m excited to have you with us today as we turn the page to our **Strategy 2030: Making a Material Difference**. A new chapter of leadership, innovation, as well as sustainable and profitable growth. Setting the clear global benchmark in the heavy building materials industry.

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