

27 July 2023

## **Good half-year results: Heidelberg Materials significantly upgrades outlook for 2023**

- **Revenue increases by 8.5%<sup>1)</sup> to €10,473 million**
- **Improvement in result<sup>2)</sup> of 37.5%<sup>1)</sup> to €1,189 million**
- **CO<sub>2</sub> emissions reduced by a further 2.4%, EU Innovation Fund supports pioneering CCS project in Germany**
- **Third tranche of share buyback programme of up to €300 million starts**
- **Outlook for 2023 significantly upgraded: result from current operations expected to be €2.7 billion to €2.9 billion (previously: €2.50 billion and €2.65 billion)**

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

“We have closed the first half of 2023 with a good result,” stated Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials. “Even in a weaker market environment, with significant declines in sales volumes in some cases, we performed quite well. We remain confident about the second half of the year and are once again upgrading our outlook for 2023 significantly.”

We also continue to make good progress on sustainability. In the first half of 2023, we achieved a further reduction in our specific net CO<sub>2</sub> emissions through numerous measures. With the large number of our carbon capture, utilisation, and storage (CCUS) projects, we are aiming at the full decarbonisation of our products. Just recently, one of our pioneering CCS projects in Germany was approved to receive funding from the EU Innovation Fund. The continuous reduction of our carbon footprint and strengthening the circular economy are our most powerful levers to offer our customers climate-friendly products on a large scale.”

### **Development of sales volumes, revenue, and results**

The downward trend in sales volumes continued in the second quarter of 2023. High inflation and a further increase in financing costs led to a drop in construction activity, especially in residential construction.

Revenue rose by 5.3% compared with the previous year to €10,473 million (previous year: 9,950). Excluding scope and currency effects, the increase amounted to 8.5%.

The result from current operations experienced a rise of 31.0% to €1,189 million (previous year: 908) (+37.5% on a like-for-like basis). In addition to revenue growth, continuous cost management and the slight easing on the energy and raw materials markets in particular contributed to the positive development of results.

Profit for the period totalled €783 million (previous year: 597). Earnings per share adjusted for the additional ordinary result attributable to Heidelberg Materials AG shareholders increased by €0.49 to €3.64 (previous year: 3.15).

#### **Third tranche of the share buyback programme starts**

Heidelberg Materials is continuing its share buyback programme as promised. The third tranche with a volume of up to €300 million will start on 28 July 2023 and is scheduled to be completed in the fourth quarter of 2023 at the latest. Subject to board approval, the company intends to cancel the treasury shares repurchased in the second tranche by the end of the third quarter.

#### **Financial figures further improved**

In the first half of 2023, the strong development of results resulted in a cash inflow from operating activities of €25 million (previous year: cash outflow of 138). As at the end of the first half of 2023, net debt amounted to €6.7 billion (previous year: 6.8). The leverage ratio was 1.67x (previous year: 1.85x) and thus within the target corridor of 1.5x to 2.0x.

René Aldach, Chief Financial Officer of Heidelberg Materials, said: “We have further improved our financial figures. We will start the third tranche of our share buyback programme tomorrow. This demonstrates our financial strength.”

#### **Outlook for 2023 significantly upgraded**

The good order situation for infrastructure projects and parts of the commercial construction sector should partly compensate for the decline in residential construction. Energy prices have eased in the first half of 2023, but they remain volatile and still well above previous years' levels.

Against this backdrop, the company is once again upgrading its outlook for the 2023 financial year. While Heidelberg Materials continues to expect a moderate increase in revenue (excluding scope and exchange rate effects) compared with the previous year, it now anticipates a result from current operations of €2.7 billion to €2.9 billion (Q1 2023 forecast: €2.50 billion to €2.65 billion; Annual and Sustainability Report 2022 forecast: €2.35 billion to €2.65 billion).

An overview of our financial figures for the first half of 2023 can be found in the Half-Year Financial Report 2023 and in Business Figures January to June 2023 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.

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