

22 February 2024

Heidelberg Materials presents record business figures for 2023

- **Operating result rises to record level – Group revenue at €21.2 billion (+4%^{1,2}), Result from current operations (RCO) at €3.0 billion (+29%^{1,2})**
- **Profit for the financial year increases significantly – earnings per share at €10.4 (+23%²)**
- **Return on invested capital above 10% for the first time – ROIC at 10.3% (previous year: 9.1%)**
- **Strong focus on shareholder return continues – new share buyback programme of €1.2 billion announced**
- **Heading towards net zero – specific net CO₂ emissions drop by 3%², new brands introduced for sustainable product portfolio**
- **Optimistic outlook 2024 – revenue growth¹, RCO expected at €3.0–3.3 billion**

Heidelberg Materials looks back at an outstanding financial year 2023. While Group revenue rose slightly by 4% to €21.2 billion in a weak market environment, the result from current operations rose by 29% to €3.0 billion. Specific net CO₂ emissions were reduced by a further 3% compared with the previous year.

“Despite a persistently difficult market environment, we closed the past financial year with a record result,” says Dr Dominik von Achten, Chairman of the Managing Board of Heidelberg Materials. “We achieved new all-time peaks in all of our key figures. In the 150th year of our company’s history, we have once again shown that we can deal with change and crises. I am extremely proud of our teams around the world, who have remained firmly focused on our targets and have once again done an extraordinary job.

An essential pillar for our long-term corporate success is sustainability, an area in which we also made great progress last year. We already generate over a third of our revenue with sustainable products. We offer our customers a wide range of low-carbon and circular products, which we have now incorporated into the evoBuild® brand across the Group. With evoZero®, the world’s first carbon

¹ Adjusted for scope and exchange rate effects.

² Preliminary and unaudited figures; final and audited figures will be published in the Annual and Sustainability Report 2023 on 21 March 2024.

captured net-zero cement, we are paving the way for the future of construction. The product will be available next year and can already be ordered.

We are entering the new financial year 2024 with optimism. Although the general economic conditions in the construction sector remain challenging, we anticipate growth in revenue and earnings also in the current year. Our shareholders are benefitting from this growth thanks to the progressive dividend and the new, comprehensive share buyback programme.”

Financial figures at record level

Volumes developed differently in the individual Group areas but decreased in all business lines in comparison with the previous year. In 2023, high inflation rates across the globe, increased financing costs, and persistently high energy and raw material prices significantly impaired construction activity and thus demand for our building materials. The decline in demand in private residential construction, which was massive in some cases, could not be offset by a solid development in industrial commercial construction and infrastructure projects.

However, price adjustments in all Group areas more than compensated for this decrease in volumes and led to slight revenue growth on a like-for-like basis, i.e. adjusted for currency and consolidation effects, of 4.4% to €21,178 million (previous year: 21,095). Active cost and price management as well as slightly lower energy costs led to a 19.2% increase in result from current operations before depreciation and amortisation (RCOBD) to €4,258 million (previous year: 3,739) on a like-for-like basis. The result from current operations (RCO) rose by 29.5% on a like-for-like basis to €3,022 million (previous year: 2,476).

The profit for the financial year attributable to shareholders amounts to €1,929 million (previous year: 1,597). On a like-for-like basis, it rose significantly by €138 million to €1,928 million (previous year: 1,790). Adjusted earnings per share rose accordingly by €0.95 to €10.42 (previous year: 9.47).

Return on invested capital above 10% for the first time

The return on invested capital (ROIC) increased to 10.3% in 2023 (previous year: 9.1%), exceeding 10% for the first time. With a strong cash flow of €2.2 billion, capital efficiency improved again despite higher invested capital. The leverage ratio decreased to 1.2x.

New share buyback programme announced

In October 2023, Heidelberg Materials completed its share buyback programme, which was launched in 2021, and repurchased a total of around 16.3 million shares at a total price of around €1 billion. All shares acquired as part of this buyback programme were cancelled.

On 21 February 2024, the company announced a second share buyback programme with a duration of 3 years and a volume of €1.2 billion. The first tranche is scheduled to start in the second quarter following the Annual General Meeting of Heidelberg Materials.

“Our shareholders participate to a large extent in the success of our company,” says René Aldach, Chief Financial Officer of Heidelberg Materials. “The volume of the new share buyback programme will be 20% higher than the previous programme. Along with our progressive dividend policy, this underscores our strong focus on shareholder return.”

On our path to net zero

With our consistent roadmap for CO₂ reduction and a clear commitment to the circular economy, Heidelberg Materials is well positioned for the future. In 2023, specific net CO₂ emissions decreased by a further 17 kg/t (-3%) to 534 kg/t of cementitious material compared with the previous year. This was due to both a reduced clinker ratio and the increased proportion of non-fossil fuels.

CO₂ reduction and circularity also form the basis of our new evoBuild® and evoZero® brands, which we will use to market our sustainable products worldwide. Globally standardised and stringent criteria ensure maximum transparency and comparability for our evoBuild® products. evoZero®, the world’s first net-zero cement and concrete, is allowing Heidelberg Materials to showcase the future of construction. Its net-zero footprint results from the use of industrial-scale CCS technology, which is being deployed for the first time at our plant in Brevik, Norway. The calculation and crediting of CO₂ savings for customers are transparent and traceable thanks to the use of blockchain technology and third party certification.

Optimistic outlook 2024

We are optimistic about the current year. Demand in the construction sector is expected to stabilise at a low level, even though inflation and persistently high financing costs are likely to continue to have a negative impact on residential construction in particular. We expect cost developments on the energy and raw materials markets to remain volatile. The focus will therefore continue to be on price adjustments and strict cost management.

For the 2024 financial year, Heidelberg Materials anticipates revenue growth (excluding scope and exchange rate effects) and expects the result from current operations (RCO) to be between €3.0 billion and €3.3 billion. ROIC is expected to be at around 10%. The Managing Board anticipates a further reduction in specific net CO₂ emissions.

The preliminary financial figures for 2023 can be found in the Business Figures 2023 under [Reports and Presentations](#).

Captions

Heidelberg Materials has presented excellent business figures for 2023 and provides an optimistic outlook for 2024.

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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