

2 May 2024

## **Driving decarbonisation: Heidelberg Materials acquires largest supplier of pulverised fly ash in Malaysia**

- **Heidelberg Materials has entered into a definitive purchase agreement to acquire ACE Group, the largest supplier of pulverised fly ash in Malaysia**
- **The acquisition aims to strengthen the company's footprint in a growing market and meet the rising demand for fly ash to reduce the CO<sub>2</sub> intensity of cement**
- **The transaction is part of Heidelberg Materials' ambitious decarbonisation strategy and will contribute to significantly lowering the company's CO<sub>2</sub> footprint in Southeast Asia**

Heidelberg Materials announced today that it has entered into a definitive purchase agreement to acquire ACE Group, the largest supplier of pulverised fly ash in Malaysia, effective 1 May 2024. As part of the company's ongoing portfolio optimisation, the acquisition strengthens circularity within Heidelberg Materials' value chain in Southeast Asia. Reusing fly ash from energy generation contributes significantly to reducing the CO<sub>2</sub> intensity of composite cement: Used as an additive, fly ash can replace part of the energy-intensive clinker and thus reduce the CO<sub>2</sub> intensity of the cement.

ACE Group comprises three entities operating across the value chain: ACE Greencemt Venture, a leading supplier of pulverised fly ash to the Malaysian construction industry; ASAS Asia, a processor of coal ashes; and AGP Logistics, a logistics service company operating 20 silo trucks. The leadership team of ACE Group will stay on board as part of the acquisition to continue managing the companies.

"The acquisition reflects our strong commitment to further strengthening our footprint in a growing market in Southeast Asia," says Roberto Callieri, Member of the Managing Board of Heidelberg Materials and CEO of Heidelberg Materials Asia. "Leveraging the vertical integration of ACE Group helps to drive our ambitious carbon reduction targets at all our sites throughout Malaysia."

"We are experiencing a growing demand for sustainable building materials," says Dr Nicola Kimm, Chief Sustainability Officer and Member of the Managing Board of Heidelberg Materials. "With the acquisition of ACE Group, we continue to optimise our portfolio and lower our carbon footprint in yet another key market, on our path to eventually delivering net-zero cement and concrete across the globe."

Both parties have agreed to not disclose the financial terms of the transaction.

In 2023, Heidelberg Materials already strengthened its footprint in the greater Asia-Pacific region by acquiring an integrated cement plant in Central Java, Indonesia via its subsidiary Indocement. The Semen Grobogan cement plant has a capacity of 1.8 million tonnes of clinker and 2.5 million tonnes of cement with limestone reserves lasting for more than 50 years. As part of the company's global climate strategy, Heidelberg Materials is developing a tailored CO<sub>2</sub> roadmap for the plant with concrete measures to accelerate the reduction of carbon emissions.

**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 around 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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