Press release

HEIDELBERGCEMENT

4 November 2021

Quarterly Statement January to September 2021

Results of the first nine months 2021 significantly above previous year

- **Revenue and results increase significantly on a like-for-like basis[1)] in the first nine months of 2021 – Group revenue +9%; result from current operations before depreciation and amortisation +8%; result from current operations +16%**
- **Results of the third quarter impacted by exceptionally high year-on-year basis and significant energy cost inflation**
- **New business excellence programme with >€500 million cost mitigation target launched**
- **Portfolio optimisation continued – disposal of several assets in Spain and acquisition of Tanga Cement in Tanzania**
- **Up to 10 million tonnes of CO_2 reduction with current CCU/S projects planned until 2030**
- **Forecast for results confirmed, forecast for ROIC and leverage ratio raised**

1) Adjusted for consolidation and currency effects

Dr. Dominik von Achten, Chairman of the Managing Board of HeidelbergCement, said: "HeidelbergCement has achieved a good result in the first nine months of 2021. The general conditions in the third quarter were very challenging due to the exceptionally high year-on-year basis in the previous year and the significant increases in energy costs in recent months. We remain optimistic for the final quarter and confirm our growth forecast for the full year 2021.

We look forward to 2022 with confidence. The global infrastructure measures will gradually contribute to growth from next year onwards. The momentum in private residential construction also remains high. In order to tap further potential within the Group and, in particular, to compensate for the significant increases in energy costs, we have launched a new business excellence programme with the aim of mitigating the cost inflation by at least €500 million by the end of 2022.

We are making good progress in the implementation of our "Beyond 2020" strategy. HeidelbergCement's capital efficiency and leverage ratio have continued to improve significantly. The disposal of assets in Spain and the acquisition of Tanga Cement in Tanzania contribute to the optimisation of our portfolio. Regarding the transformation topics of sustainability and digitalisation, we underline our leading role in our industry sector. The projects for carbon

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capture, utilisation and storage (CCU/S) are off to a great start. Only with our CCU/S projects already underway, we aim to save up to 10 million tonnes of CO_2 by 2030. The digitalisation of our customer interfaces is gaining momentum. We are well on track to achieve our medium and long-term targets earlier than expected."

Positive development of sales volumes in the first nine months

In the first nine months of the year, total deliveries rose in all business lines in comparison with the previous year.

Group-wide cement and clinker sales volumes grew by 6.2% to 95.7 million tonnes (previous year: 90.1). Excluding consolidation effects, the increase amounted to 6.6%. All Group areas contributed to the growth in sales volumes, with Western and Southern Europe and Asia-Pacific in particular achieving significant increases in volumes. Deliveries of aggregates rose by 4.7% in comparison with the previous year to 231.3 million tonnes (previous year: 220.8). All Group areas recorded increases in sales volumes. The Western and Southern Europe area made by far the largest contribution in this business line too. Sales volumes of ready-mixed concrete increased by 3.6% to 35.7 million cubic metres (previous year: 34.4). Excluding consolidation effects, the rise amounted to 4.3%. With the exception of Asia-Pacific, deliveries in all Group areas were above the previous year's level, with Western and Southern Europe as well as Northern and Eastern Europe-Central Asia achieving the strongest growth. Asphalt deliveries increased by 1.5% to 8.2 million tonnes (previous year: 8.1).

Solid development of revenue and results

Group revenue in the period from January to September 2021 rose by 6.5% in comparison with the previous year to €13,996 million (previous year: 13,140). Excluding consolidation and exchange rate effects, the increase amounted to 8.5%. Changes to the scope of consolidation of €42 million and exchange rate effects of €202 million had a negative impact on revenue.

The result from current operations before depreciation and amortisation (RCOBD) grew by €165 million or 6.0% to €2,896 million (previous year: 2,731). Excluding consolidation and exchange rate effects, the increase amounted to €219 million and was thus 8.2% above the previous year. The rise in material costs, especially due to significantly higher energy prices, had a negative impact on the result. Energy costs increased by €196 million to €1,313 million (previous year: 1,117). The RCOBD margin, i.e. the ratio of result from current operations before depreciation and amortisation to revenue, remained almost unchanged at 20.7% (previous year: 20.8%).

The result from current operations (RCO) rose significantly by 13.9% to €1,953 million (previous year: 1,715). Changes to the scope of consolidation contributed €1 million, while exchange rate effects reduced the result by €34 million. Excluding consolidation and exchange rate effects, the result was 16.1% above the previous year.

Financial position

Net debt amounted to €7.1 billion (previous year: 7.9) as of 30 September 2021 and was down by €0.8 billion compared to 30 September 2020. The increase of €0.2 billion compared to the end of 2020 (€6.9 billion) is mainly due to the usual seasonal increase in working capital and the dividend payment in the second quarter.

Portfolio optimisation progresses

Thanks to several transactions in the course of the current year, HeidelbergCement has made good progress with its programme of portfolio optimisation within the framework of the "Beyond 2020" strategy.

At the beginning of October 2021, HeidelbergCement signed agreements to sell its regional aggregates and ready-mixed concrete activities in the Spanish regions of Catalonia, Madrid, and Asturias as well as its ready-mixed concrete business on the Balearic Islands to different buyers. On 26 October 2021, HeidelbergCement announced the signing of an agreement to acquire 68% of the shares in the Tanzanian cement producer Tanga Cement. With this step, the company further strengthens its local business and creates significant synergies with its existing assets in Tanzania.

Share buyback programme started

On 10 August 2021, HeidelbergCement launched its announced share buyback programme. The programme has a total amount of up to €1 billion and a term until 30 September 2023. The share buyback will be carried out in several tranches. The first tranche in the amount of €300 to €350 million is to be completed by January 2022 at the latest. By 29 October 2021, approximately 3.2 million own shares were acquired on the stock exchange at a total price of approximately €216.9 million.

Further progress towards climate neutrality

HeidelbergCement is making significant progress in CO_2 capture, utilisation and storage (CCUS) technologies. HeidelbergCement, which is the first company to test CO_2 capture in Eastern Europe, is testing a new enzyme-based technology for CO_2 capture at the Górażdże cement plant in Poland as part of the cross-industry ACCSESS project. In September 2021, the British subsidiary Hanson UK successfully used a mix of 100% climate-neutral fuels including hydrogen for cement production on an industrial scale for the first time. In October 2021, the British government announced that Hanson UK and its partners in the HyNet North West consortium had been selected for implementation under the CCUS cluster funding. With these projects, HeidelbergCement is reaffirming its target of playing a leading role on the path to carbon neutrality.

Important step in digital transformation
On 28 September 2021, HeidelbergCement signed an agreement to acquire a minority stake of 45% in Command Alkon, the global leader in comprehensive supply chain technology solutions for building materials. The software investment company Thoma Bravo retains the majority ownership of Command Alkon. Together, HeidelbergCement, Thoma Bravo, and Command Alkon pursue the strategy of further developing best-in-class, cloud-based solutions for the entire supply chain and building the digital ecosystem of the future for the building materials industry.

Outlook 2021 partly raised
As already described in the Half-Year Financial Report 2021, the Managing Board had raised the outlook for the full year 2021. After the first nine months of 2021, the company confirms its expectation of a strong increase in the result from current operations before depreciation and amortisation and the result from current operations, in each case before exchange rate and consolidation effects, for the financial year 2021.

Over the course of the year, HeidelbergCement's capital efficiency (ROIC) and leverage ratio have continued to improve significantly. Against this backdrop, the company has raised its ROIC outlook to >9% (previously: clearly above 8%) and adjusted its forecast for the leverage ratio to below 1.5x (previously: at the lower end of 1.5-2.0x).

This outlook does not take into account the potential negative impact of a worsening COVID 19 situation.

Risks and opportunities
HeidelbergCement's risk policy is based on the business strategy, which is focused on safeguarding the Group's existence and sustainably increasing its value. The risk management process serves to identify these risks at an early stage and to systematically assess and limit them.

Risks that could have a significant impact on our net assets, financial performance and results of operations in the 2021 financial year and for the foreseeable future thereafter, as well as opportunities, are presented in detail in the 2020 Annual Report in the risk and opportunity report on page 65 ff. From today's perspective, a holistic view of individual risks and the overall risk position does not reveal any risks that could jeopardise the company's continued existence.

Group overview

HeidelbergCement Group	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	90.1	**95.7**	6%	**7%**	33.8	**33.9**	0%	**1%**
Aggregates (Mt)	220.8	**231.3**	5%	**5%**	86.1	**86.3**	0%	**0%**
Ready-mixed concrete (Mm3)	34.4	**35.7**	4%	**4%**	12.7	**12.2**	-4%	**-4%**
Asphalt (Mt)	8.1	**8.2**	1%	**1%**	3.7	**3.4**	-10%	**-10%**
Income statement								
Revenue	13,140	**13,996**	7%	**9%**	4,886	**5,058**	4%	**4%**
Result from current operations before depreciation and amortisation (RCOBD)	2,731	**2,896**	6%	**8%**	1,328	**1,176**	-11%	**-11%**
in % of revenue	*20.8%*	***20.7%***			*27.2%*	***23.2%***		
Result from current operations (RCO)	1,715	**1,953**	14%	**16%**	1,005	**869**	-14%	**-13%**
in % of revenue	*13.1%*	***14.0%***			*20.6%*	***17.2%***		

1) Adjusted for consolidation and currency effects

Development in the Group areas

North America	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	11.6	**12.2**	5%	**5%**	4.5	**4.7**	3%	**3%**
Aggregates (Mt)	94.8	**97.0**	3%	**3%**	38.6	**39.3**	2%	**2%**
Ready-mixed concrete (Mm3)	5.9	**6.0**	2%	**2%**	2.3	**2.2**	-3%	**-3%**
Asphalt (Mt)	3.7	**3.8**	2%	**2%**	1.9	**1.8**	-5%	**-5%**
Income statement								
Revenue	3,513	**3,509**	0%	**5%**	1,377	**1,391**	1%	**2%**
Result from current operations before depreciation and amortisation (RCOBD)	755	**781**	3%	**8%**	415	**366**	-12%	**-10%**
in % of revenue	*21.5%*	***22.2%***			*30.2%*	***26.3%***		
Result from current operations (RCO)	476	**538**	13%	**18%**	329	**291**	-12%	**-9%**
in % of revenue	*13.5%*	***15.3%***			*23.9%*	***20.9%***		

1) Adjusted for consolidation and currency effects

Western and Southern Europe	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	20.7	**23.0**	11%	**11%**	7.8	**7.7**	-2%	**-2%**
Aggregates (Mt)	57.8	**64.4**	11%	**11%**	21.1	**20.9**	-1%	**-1%**
Ready-mixed concrete (Mm3)	12.6	**13.7**	9%	**9%**	4.7	**4.5**	-3%	**-3%**
Asphalt (Mt)	2.5	**2.8**	11%	**11%**	1.1	**1.0**	-9%	**-9%**
Income statement								
Revenue	3,662	**4,185**	14%	**14%**	1,375	**1,418**	3%	**2%**
Result from current operations before depreciation and amortisation (RCOBD)	638	**700**	10%	**10%**	332	**269**	-19%	**-19%**
in % of revenue	*17.4%*	***16.7%***			*24.2%*	***19.0%***		
Result from current operations (RCO)	340	**418**	23%	**23%**	236	**177**	-25%	**-25%**
in % of revenue	*9.3%*	***10.0%***			*17.2%*	***12.5%***		

1) Adjusted for consolidation and currency effects

Northern & Eastern Europe-Central Asia	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	17.9	**18.9**	6%	**6%**	7.0	**7.3**	5%	**5%**
Aggregates (Mt)	36.4	**36.9**	2%	**2%**	14.5	**14.7**	1%	**1%**
Ready-mixed concrete (Mm3)	4.4	**4.7**	5%	**5%**	1.6	**1.7**	8%	**8%**
Asphalt (Mt)								
Income statement								
Revenue	2,141	**2,297**	7%	**7%**	792	**859**	8%	**8%**
Result from current operations before depreciation and amortisation (RCOBD)	540	**570**	5%	**7%**	246	**248**	1%	**1%**
in % of revenue	*25.2%*	***24.8%***			*31.1%*	***28.9%***		
Result from current operations (RCO)	396	**427**	8%	**9%**	199	**200**	0%	**2%**
in % of revenue	*18.5%*	***18.6%***			*25.1%*	***23.2%***		

1) Adjusted for consolidation and currency effects

Asia-Pacific	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	23.8	**25.7**	8%	**8%**	8.8	**8.9**	1%	**1%**
Aggregates (Mt)	26.5	**26.7**	1%	**1%**	9.9	**9.4**	-5%	**-5%**
Ready-mixed concrete (Mm3)	7.7	**7.7**	-1%	**-1%**	2.8	**2.5**	-10%	**-10%**
Asphalt (Mt)	1.6	**1.5**	-8%	**-8%**	0.7	**0.5**	-27%	**-27%**
Income statement								
Revenue	2,197	**2,313**	5%	**6%**	793	**792**	0%	**0%**
Result from current operations before depreciation and amortisation (RCOBD)	490	**489**	0%	**0%**	211	**169**	-20%	**-20%**
in % of revenue	*22.3%*	***21.1%***			*26.5%*	***21.3%***		
Result from current operations (RCO)	302	**313**	4%	**4%**	152	**112**	-26%	**-27%**
in % of revenue	*13.8%*	***13.6%***			*19.2%*	***14.1%***		

1) Adjusted for consolidation and currency effects

Africa-Eastern Mediterranean Basin	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Sales volumes								
Cement (Mt)	15.7	**15.8**	1%	**1%**	5.5	**5.4**	-3%	**-3%**
Aggregates (Mt)	5.4	**5.7**	4%	**4%**	1.9	**1.9**	3%	**3%**
Ready-mixed concrete (Mm3)	3.6	**3.7**	3%	**3%**	1.3	**1.2**	-10%	**-10%**
Asphalt (Mt)	0.3	**0.2**	-29%	**-29%**	0.1	**0.1**	-3%	**-3%**
Income statement								
Revenue	1,308	**1,389**	6%	**10%**	455	**486**	7%	**6%**
Result from current operations before depreciation and amortisation (RCOBD)	322	**360**	12%	**15%**	130	**117**	-10%	**-10%**
in % of revenue	*24.6%*	***25.9%***			*28.6%*	***24.1%***		
Result from current operations (RCO)	241	**281**	17%	**21%**	104	**90**	-13%	**-12%**
in % of revenue	*18.4%*	***20.2%***			*22.8%*	***18.6%***		

1) Adjusted for consolidation and currency effects

Group Services	January-September				Q3			
€m	2020	2021	Variance	Like-for-like[1)]	2020	2021	Variance	Like-for-like[1)]
Income statement								
Revenue	759	**992**	31%	**35%**	260	**369**	42%	**46%**
Result from current operations before depreciation and amortisation (RCOBD)	19	**21**	7%	**14%**	10	**7**	-24%	**-22%**
in % of revenue	*2.5%*	***2.1%***			*3.7%*	***2.0%***		
Result from current operations (RCO)	16	**20**	25%	**17%**	9	**7**	-18%	**-24%**
in % of revenue	*2.1%*	***2.0%***			*3.3%*	***1.9%***		

1) Adjusted for consolidation and currency effects

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Financial calendar

Preliminary business figures 2021	24 February 2022
Press conference on preliminary business figures 2021	24 February 2022
Group annual accounts 2021	24 March 2022
Quarterly Statement January to March 2022	12 May 2022
Annual General Meeting 2022	12 May 2022
Half-Year Financial Report 2022	28 July 2022
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