

# AGM 2022

CEO Key Messages

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## **Key Messages Annual General Meeting 2022**

- We improved in all key financial figures in 2021.
- We continuously optimise our portfolio and strengthen our core markets.
- We create value for our shareholders.
- We are making great progress in the implementation of our "Beyond 2020" strategy.
- We drive the topics of sustainability and digitalisation forward in a leading, ambitious, and consistent manner.

### **1. We improved in all key financial figures in 2021.**

- Solid price and demand growth: revenue up 8% (on a like-for-like basis).
- Strong RCO growth of 12% despite significant cost inflation (on a like-for-like basis).
- RCOBD up in almost all Group areas.
- Further optimisation of financial result and taxes: Earnings per share increase to €7.91.
- Robust cash generation supported by disciplined CapEx: Leverage ratio decreased to 1.3x.
- Record ROIC of 9.3% due to solid operating performance and portfolio optimisation.

### **2. We continuously optimise our portfolio and strengthen our core markets.**

- Business activities acquired in 8 existing countries/regions.
- Business activities sold in 5 countries/regions.

### **3. We create value for our shareholders.**

- Continuation of the progressive dividend policy: dividend proposal of €2.40 (previous year €2.20). This corresponds to a payout ratio of 29,4% in relation to the Group share of adjusted profit for the financial year 2021.
- With a dividend yield of 4.0%, HeidelbergCement belongs to the DivDAX share index, which lists the 15 companies with the highest dividend yields in the DAX 40.

- Almost €1 billion spent on dividends and share buy-back programme in 2021.

#### **4. We are making great progress in the implementation of our "Beyond 2020" strategy.**

- Improved all key financial figures in 2021:
  - RCOBD margin: +171 bp.
  - ROIC: 9.3% and thus clearly above strategic medium-term target (>8%).
  - Leverage ratio: 1.3x and thus below target corridor of 1.5x-2.0x.
- Further CO<sub>2</sub> reduction to 565kg CO<sub>2</sub>/t of cementitious material (target by 2025: 525kg CO<sub>2</sub>/t).
- Digital transformation: >52% of global revenue covered by HConnect (target by 2025: 75%).

#### **5. We drive the topics of sustainability and digitalisation forward in a leading, ambitious, and consistent manner.**

- We are reducing our CO<sub>2</sub> emissions continuously.
- As we are advancing existing and further carbon capture projects around the world, we will commission the world's first industrial-scale carbon capture plant in the cement industry in Brevik, Norway in 2024.
- Further large-scale projects in Edmonton, Canada, Padeswood, UK, and Slite, Sweden.
- The expansion of local, sustainable product portfolios in the Group countries is a central element of HeidelbergCement's sustainability strategy. In Germany, we offer EcoCrete, a sustainable concrete with up to 66% less CO<sub>2</sub>.
- Our 3 digital pillars HConnect, HProduce, and HService support our profitable market growth.
- Key target is the digitalisation of our value chain: HConnect user base increases to >20,000 per month for the first time.