

24 April 2023

Decarbonisation push: Heidelberg Materials acquires largest fly ash recycling company in the USA and continues portfolio optimisation

- **Heidelberg Materials has entered into a definitive purchase agreement to acquire The SEFA Group, Inc., the largest recycler of harvested fly ash for use in concrete products in the USA**
- **The transaction underlines Heidelberg Materials' industry-leading CO₂ reduction focus providing an immediate step-change to the company's CO₂ intensity in North America**
- **At the same time, Heidelberg Materials completed a divestment in Eastern Europe with the sale of its joint venture stake in Georgia**

Heidelberg Materials announced today that the company has entered into a definitive purchase agreement to acquire The SEFA Group Inc., the largest fly ash recycling company in the United States. Based in Lexington, South Carolina, the operations of The SEFA Group include five business units, five utility partners, 20 locations, and more than 500 employees. The SEFA Group currently supplies quality fly ash to more than 800 concrete plants in 13 states. The reuse of fly ash from energy generation in alternative products such as composite cements strengthens circularity within Heidelberg Materials' value chain: The addition of fly ash as secondary cementitious material (SCM) helps to reduce the CO₂ intensity of concrete.

"Fostering circularity by increasing the use of by-products and recycled materials from other industrial sectors is an essential part of our strategy," said Dr Dominik von Achten, Chairman of the Managing Board. "Our focus is on rapidly and significantly reducing our CO₂ emissions and The SEFA Group will make an outstanding contribution in this regard to our US business."

"The acquisition of The SEFA Group will further strengthen our cementitious footprint in the fast-growing Southeastern U.S. market," said Chris Ward, President and CEO of Heidelberg Materials North America. "We welcome the addition of this innovative business and its talented employees to Heidelberg Materials as we grow our portfolio of sustainable products, technologies, and customer-focused solutions on the path to Net Zero."

For more than 40 years, The SEFA Group has focused on providing a reliable supply of quality fly ash for the ready-mixed concrete industry and provides technology and services to the construction materials and other industrial sectors. It has developed the most advanced technology to process ash from storage ponds and currently processes about 1 million tonnes of pond ash per year. Both parties have agreed to not disclose the financial terms of the transaction. The transaction is anticipated to close in June 2023.

Divestment of joint venture in Georgia

Last week, Heidelberg Materials closed the divestment of its Eastern European joint venture in Georgia. The company previously held a 45% participation in CaucasusCement Holding B.V. (CCH), the parent company of HeidelbergCement Georgia Ltd. and Terjola Quarry Ltd., Tbilisi. Heidelberg Materials sold its share to its long-term joint venture partner Cement Invest B.V., an investment company jointly managed and owned by the Georgian Co-Investment Fund and Hunnewell Partners. The joint venture's scope included two integrated cement plants, 14 ready-mixed concrete plants, and two aggregates plants. The partners agreed to not disclose the financial terms of the transaction.

These latest steps by Heidelberg Materials reflect the continued focus on simplifying its country portfolio and positioning the company as front runner on the path to Net Zero and circularity in the building materials industry.

Captions

Image 1: STAR Plant in Goldsboro, NC (© 2023 Benton Henry)

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.

Contact

Director Group Communication & Investor Relations
Christoph Beumelburg, T +49 6221 48113-249
info@heidelbergmaterials.com