

We take the CONCRETE lead

2022 Capital Markets Day – 24 May

Dr Dominik von Achten

Chief Executive Officer

A silhouette of a person's head and shoulders is centered in the foreground, looking out over a city skyline at sunset. The sky is a warm, golden yellow, and the buildings in the background are dark silhouettes against the bright light. A semi-transparent yellow rectangular box is overlaid on the center of the image, containing the text.

Our world is changing.
So is HeidelbergCement.

An aerial photograph of a modern building's courtyard. The courtyard is a square shape with a central concrete walkway that winds through a lush green roof garden. The garden is filled with various plants, including green shrubs, yellow flowers, and small trees. The building's facade is visible on all four sides, featuring a grid of windows and a white structural frame. A dark blue semi-transparent banner is overlaid across the center of the image, containing white text.

We are taking the CONCRETE lead.
And are making five concrete promises.

#1 Promise
We focus on
what we do best:
**heavy building
materials.**



The underlying demand for our products remains very promising



>80%

of global GDP committed to net zero targets.

1.5x

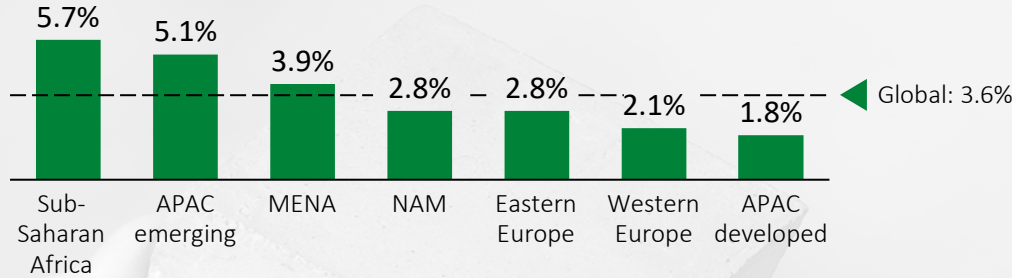
Global urban population will increase by 1.5 times to 6 bn by 2045.

>35%

higher global construction output over this decade by 2030.

Heavy building materials – an attractive sector with great prospects

Regional construction real growth 2021-2030^e



Infrastructure packages in key markets

<p>Australia</p> <p>AU\$120 bn</p> <p>Infrastructure Investment Program</p>	<p>UK</p> <p>£337 bn</p> <p>National Infrastructure Investment</p>
<p>Europe</p> <p>€750 bn</p> <p>EU 'Recovery Fund'</p>	<p>USA</p> <p>\$1.2 tn</p> <p>Infrastructure Investment & Jobs Act</p>

All segments with good growth potential:

- Infrastructure with a strong pipeline in key markets
- Residential demand continues to be strong
- Non-residential market to see good momentum on the back of e-commerce related projects

Concrete: The most frequently used building material – proven for over 2000 years

Significant advantages, but a few things to solve:

Customer advantages:

- Locally made, locally sold
- 100% recyclable
- Long-lived
- Sound-absorbing
- Non-flammable
- Customisable & flexible
- Attractive life cycle cost

Current challenges:

- CO₂- and energy-intensive
- Low-value recycling



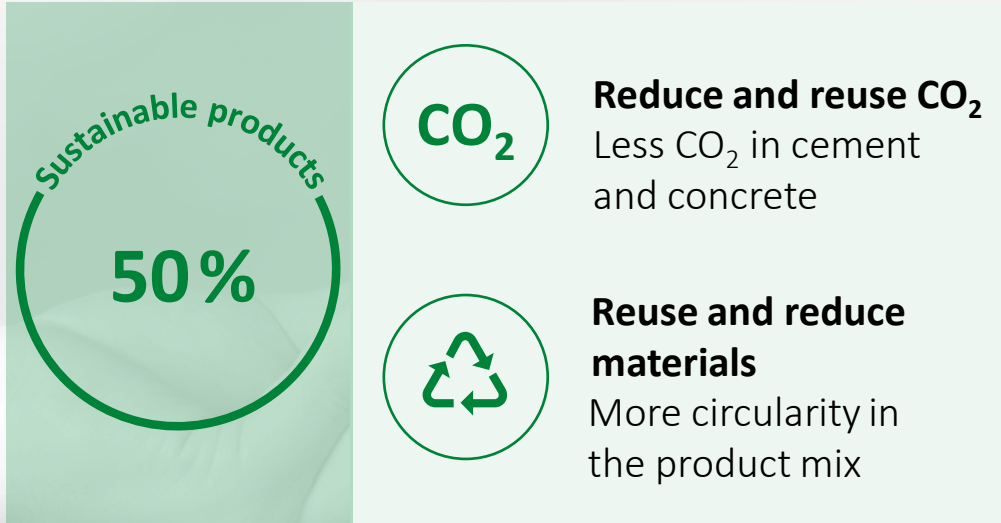


Sustainable products are becoming
the **game changer** for profitable growth.

#2 Promise
We commit to
generate **50%** of
our revenue from
sustainable
products by
2030.



CO₂ reduction and circularity will be key enablers of our sustainable revenue target



Sustainable products
50%

CO₂
Reduce and reuse CO₂
Less CO₂ in cement and concrete

Reuse and reduce materials
More circularity in the product mix

**Commoditisation comes to an end:
Sustainable product portfolio will be THE key differentiator!**



Regulatory changes and sustainability focus will be a big opportunity for us

1 Green procurement criteria create significant growth potential

- Strong demand for sustainable products and solutions on the back of green procurement criteria
- Sustainable products with price premium over traditional products

**Growth
opportunity**

2 Carbon regulation creates opportunity for early movers

- Highest incentive to change in Europe given carbon regulations – our European operations will become the blueprint
- Sustainable products with margin premium

**Margin
improvement
opportunity**



**We will be the first to offer carbon-free
cement and concrete at scale.**

#3 Promise

We commit

to reduce CO₂

emissions

by almost **50%** to

400 kg CO₂/t CEM

by 2030.



We set new standards with our upgraded CO₂ reduction target

We have the speed, knowledge, technology, and partners to lead this transition in the sector.

We are early movers and have a sustainable cost advantage with our CCUS project pipeline.

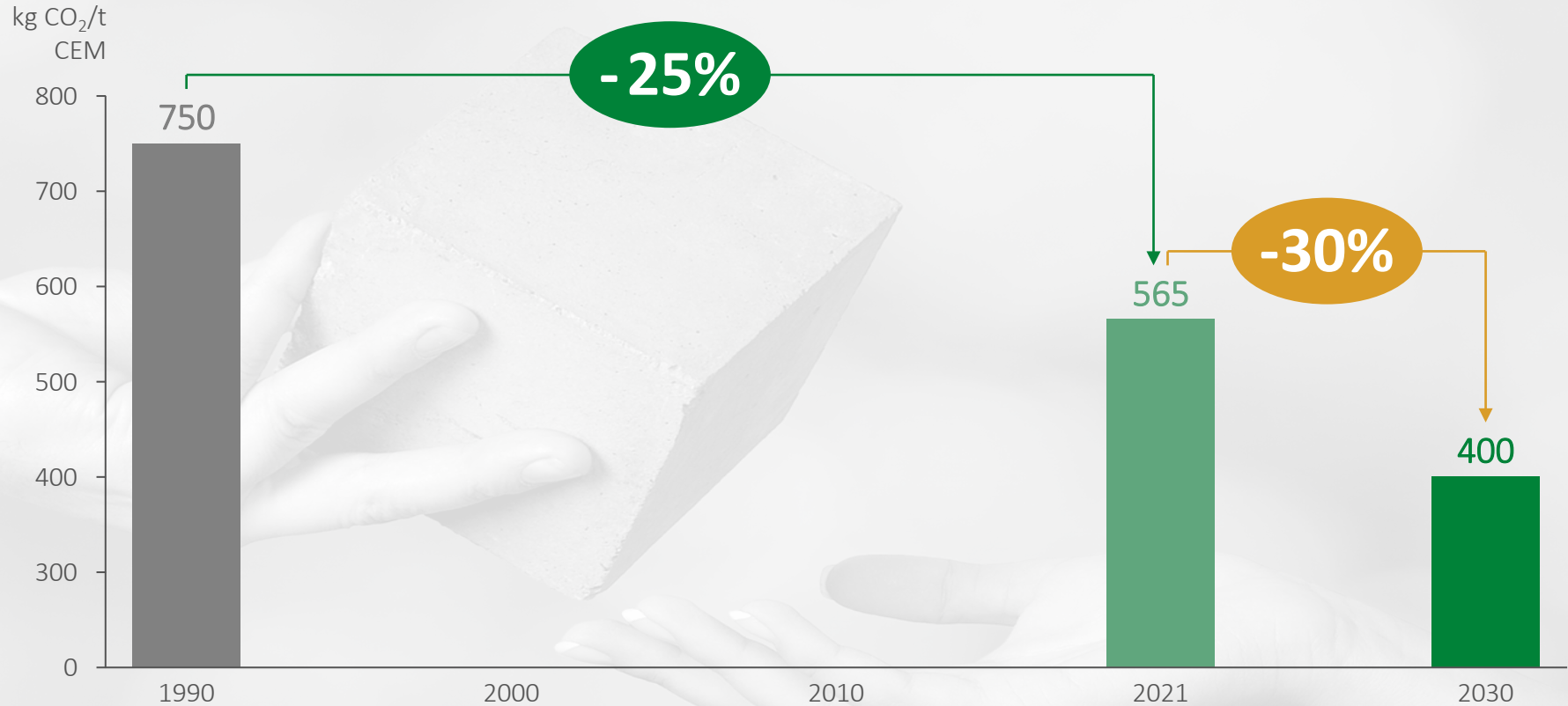
Carbon-free and carbon-reduced products will allow for differentiated customer offerings.

Upgraded CO₂ target for 2030:

400 kg CO₂/t
cementitious material

Key levers	Products	Clinker incorporation/ circularity
	Process	Altern. fuels /Biomass fuels rate
	CCUS	10 mt CO ₂ captured (cumulative)

We strongly accelerate our CO₂ reduction over the next 8 years








#4 Promise

We will make
this transition
a **successful
business case.**



Today, HeidelbergCement is a stronger company than ever

 Well-balanced geographic portfolio	 Strong improvement in financial metrics	 Leader in decarbonisation	 Strong customer focus through digital offerings	 Focus on shareholder returns
EU, NAM, EM equal exposure	ROIC: 9.3% in '21 vs. 6.5% in '19	10 mt CO ₂ reduction through CCUS by 2030*	>20,000 monthly active users 80% retention rate	€1 bn returned to shareholders in 2021

The CO₂ transition as a very viable business case

Revenue



Sustainable products will enable revenue growth above market

Margin



Premium for sustainable products and lower carbon cost, thanks to technology leadership. EU turns into advantage.

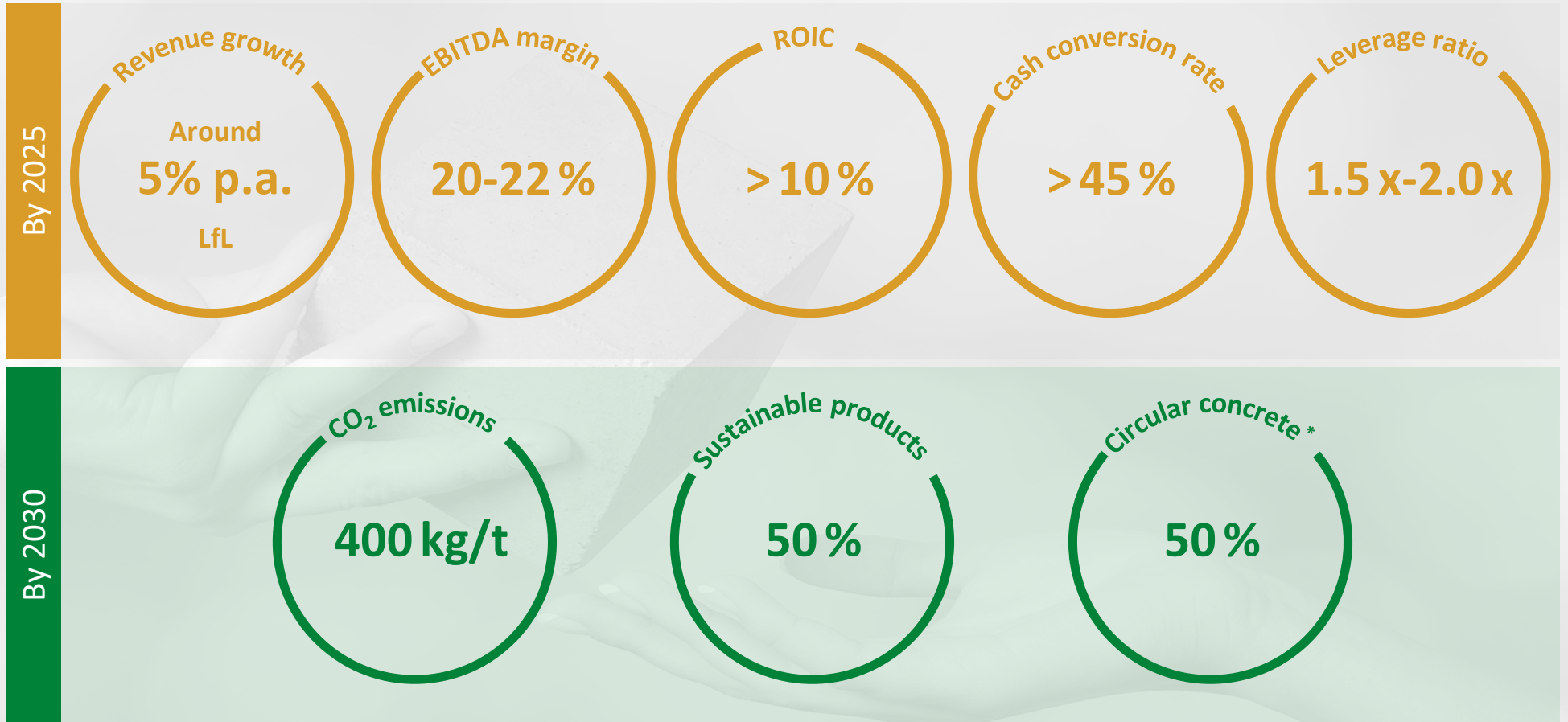
Cash flow



Strong cash-conversion:
New net CapEx p.a. target includes all CO₂ measures needed to reach our target of 400 kg CO₂/t CEM



We set ourselves new and ambitious targets



A photograph of a modern building's interior, likely a circular or semi-circular atrium. The walls are made of light-colored, textured concrete with a series of small, dark circular openings. The floor is a dark, polished wood. A large, semi-circular concrete structure curves around the top of the frame. In the center, a semi-transparent yellow rectangular box contains the text "Our transition is focused on stakeholder value." in white, bold, sans-serif font.

Our **transition** is focused on
stakeholder value.

#5 Promise

We drive the change for the benefit of our **customers**, our **shareholders**, our **employees**, and the **society** we live in.



WE TAKE THE CONCRETE LEAD

Five CONCRETE promises – Five colleagues lift the curtain further for you



Dr Nicola Kimm

Member of the
Managing Board & CSO



Jon Morrish

Member of the
Managing Board,
Western & Southern
Europe



Dr Wolfgang Dienemann

Director
Global Research &
Development



Jan Theulen

Director
Technologies &
Partnerships



René Aldach

Member of the
Managing Board & CFO



We are HeidelbergCement.
Material to build our future.

A background image showing several hands of different skin tones cupping a globe of the Earth. The image is semi-transparent and serves as a backdrop for the text.

1.

We focus on what we do best: heavy building materials.

2.

We commit to generate 50% of our revenue from sustainable products by 2030.

3.

We commit to reduce CO₂ emissions by almost 50% to 400 kg CO₂/t CEM by 2030.

4.

We will make this transition a successful business case: on growth, margins, cash flow, ROIC, and leverage.

5.

We drive the change for the benefit of our customers, our shareholders, our employees, and the society we live in.