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Wienerberger AG: Wienerberger reports record revenues and substantial profit growth

Vienna (pta010/24.02.2016/07:30) - **Results 2015**

- **Best year since the financial crisis**
- **Record revenues: Euro 2,972 million (+5% compared to 2014)**
- **Operating EBITDA: Euro 370 million (+17% compared to 2014)**
- **Profit after tax: Euro 70 million**
- **Recommended dividend: Euro 0.20 per share (+33% compared to 2014)**

Outlook 2016

- **Target: operating EBITDA Euro 405 million**
- **Continuation of growth course**

Record revenues and significant increase of operating EBITDA

Wienerberger AG today published its results for 2015, a year of strong growth for the company. In a challenging environment, the Wienerberger Group was able to increase its revenues by 5% to Euro 3 billion and its operating EBITDA by 17% to Euro 370 million. Overall, the business year 2015 was marked by a very good development in the first half of the year, a slow-down of momentum in the third quarter, and a positive fourth quarter. "2015 was Wienerberger's best year since the financial crisis. Our revenues reached yet another record, and the Group's earnings increased significantly for the fifth consecutive year. Based on our strong operating performance, we succeeded in generating a profit after tax of Euro 70 million. We have clearly reached our goal of returning to the profit zone", underlines Heimo Scheuch, CEO of Wienerberger AG.

Net debt reduced by 14% - debt repayment period brought down to 1.4 years

The Group's net debt was reduced by 14% from Euro 622 million in 2014 to Euro 534 million in 2015. This was primarily due to a significantly higher cash flow from operating activities. The realization of non-core real estate generated liquidity in the amount of approx. Euro 28 million. The Group's normal capital expenditure, which includes maintenance and investments in technological innovations as well as enhancements of the product range, amounted to a total of Euro 138 million. In addition, approx. Euro 10 million were spent on growth investments. Compared with the previous year, the gearing improved significantly, standing at 26% at the end of the year. The debt repayment period was 1.4 years, which is far below the self-imposed limit for financial discipline of 2.5 years.

Dividend for 2015

The Managing Board will propose to the Annual General Meeting on May 12, 2016 that a dividend of Euro 0.20 per share be paid out to the shareholders for the business year 2015. Referring to the reasons for this decision, Heimo Scheuch notes that "we are well on track, and the increase of the dividend by 33% is a distinct signal that we trust in our own strength".

Development of business in the Divisions of the Group

Clay Building Materials Europe: strong operating performance resulted in 12% increase of operating EBITDA to Euro 249 million

Residential construction in Europe was supported by mild weather conditions. It was generally stable to slightly positive, but marked by regional differences. Positive developments of the housing market were seen, above all, in Great Britain, the Netherlands, Romania, Bulgaria, Poland and Hungary. Belgium, Italy and Russia registered a decline in housing construction. A

similar situation was seen in France, although the French market stabilized, as expected, toward the end of the year. In Germany and Switzerland, the construction of single- and two-family homes as well as renovation activities were slightly below the previous year's level, a trend which was actively addressed through adjustments within Wienerberger's production structures. In Austria, new housing starts remained at a stable level. Altogether, the Clay Building Materials Europe Division reported a 6% increase in revenues to Euro 1,643 million. Despite structural adjustment costs in the amount of Euro 11 million, operating EBITDA increased by 12% to Euro 249 million. This was due not only to the Division's strong operating performance and the contribution from the consolidation of the Eastern European roof tile business in the first half of the year, but also to the reorganization of sales in certain markets, lower energy costs and continued measures aimed at enhancing efficiency and optimizing the Division's cost structures. Good development of plastic pipes activities results in earnings growth for Pipes & Pavers Division

Good development of plastic pipes activities results in earnings growth for Pipes & Pavers Division

Revenues generated by the Pipes & Pavers Europe Division remained stable at Euro 1,044 million, while operating EBITDA increased by 8% to Euro 108 million. This strong development was due, above all, to the European plastic pipe business. A year of record results in international project business had an extremely positive effect on the product mix and on profitability. Moreover, the Division succeeded in gaining market shares in its Nordic core markets and in further consolidating its market leadership in the region. One of the main reasons for this good development of earnings in the plastic pipes business was the success in managing raw material shortages and in counteracting the increase of plastic granulate prices. The concrete paver business benefited from its consistent positioning as a supplier of premium products and from continued programs aimed at optimizing the cost structure, an enhanced product mix and higher capacity utilization. This resulted in slightly increased revenues and distinctly higher earnings. Business with ceramic clay pipes generated slightly higher revenues, but operating earnings remained substantially below the previous year's level. This was due, above all, to a distinct slowdown in public investments in Germany and Poland, which was not fully compensated by the activities in other markets.

North America Division generated revenues of Euro 278 million and operating EBITDA of Euro 32 million

The North America Division reported an increase of its revenues by 17% to Euro 278 million; its operating EBITDA improved significantly from Euro 11 million in 2014 to Euro 32 million in the reporting year. While the volume of brick sales in the USA remained at the previous year's level, successful cost-cutting measures had a positive effect on earnings. Moreover, the Division benefited from proceeds of almost Euro 13 million from the sale of non-core real estate. Growing demand in Canada resulted in higher revenues and earnings, as was the case in the North American plastic pipe business. In general, the results of the Division were supported by advantageous foreign exchange effects.

Development of business in the fourth quarter of 2015

Compared with the fourth quarter of the previous year, the consolidated revenues of the Wienerberger Group remained stable at Euro 689 million. Despite the costs of structural adjustments in the brick and plastic pipe business, the Group's EBITDA increased by 10% to Euro 76 million. The Clay Building Materials Europe Division registered a particularly strong fourth-quarter performance and was able to increase its revenues by 2% to Euro 393 million. Operating EBITDA rose steeply by 26% to Euro 60 million. In the Pipes & Pavers Europe Division, revenues declined by 5% to Euro 227 million, and operating EBITDA dropped by 20% to Euro 16 million. Revenues in North America increased by 11% to Euro 67 million, while operating EBITDA grew by 35% to Euro 5.5 million.

Outlook and strategy

For 2016, Wienerberger expects to see a continuation of slight market growth in its brick, roof tile and plastic pipe business. As regards its ceramic sewage pipe business, the Group anticipates a slightly negative environment, given the fact that capital expenditure on public infrastructure is being held back in certain core markets. A stable development of demand for concrete pavers is expected. "We look to the future with optimism, as the Wienerberger Group has the potential for further substantial growth. Our target for 2016 is to increase our operating EBITDA to Euro 405 million, including profits in the amount of approx. Euro 15 million from the sale of non-core real estate. For 2020, we intend to achieve revenues of well above Euro 4 billion and an operating EBITDA of well above Euro 600 million. Our success is the result of a clear strategy and its consistent implementation. We shall continue our growth course", underlines Heimo Scheuch.

Diversification, cost optimization and innovation remain at the center of the corporate strategy

In the current business year, Wienerberger intends to focus on the three core areas of its corporate strategy - diversification, optimization of structures, and innovation.

- **Diversification:** The extension of Wienerberger's pipe and roof tile activities represent important steps towards consolidating the Group's position in the renovation and infrastructure markets. The existing industrial portfolio provides the basis for strong organic growth. The individual performance of business units is subject to continuous reviews based on stringent financial criteria. By this means Wienerberger safeguards the future development potential of the individual areas of business. In 2016, Wienerberger intends to spend approx. Eur 40 million on growth investments, covering both acquisitions and plant extensions. The purchase of a clay block plant in Poland and the takeover of a majority stake in a plastic pipe producer in Finland have already been successfully concluded.

- **Optimization of structures:** Wienerberger will continue its efforts aimed at improvements in the efficiency of its production, sales and administration systems and organization. Internal programs, such as the Plant Improvement Program and the Production Excellence Program, contribute towards the achievement of this target. The introduction of shared service centers serves to streamline internal procedures and create uniform quality standards.

- **Innovation:** Innovation is one of the most important pillars of Wienerberger's success. The Group is continually improving the offer for its customers and developing future-oriented products and services, ranging from energy-efficient buildings to eco-friendly pavers to durable and safe utility networks. This enables Wienerberger to respond effectively to specific customer requirements.

For details on the 2015 results, please refer to the enclosed financial information. The complete annual financial statements for 2015 will be published on 25 March 2016 and made available for download at www.wienerberger.com.

For an interview with Heimo Scheuch on the results for the full year 2015, as well as the live webcast of the presentation of the results at the press conference at 9:00 a.m., please visit www.wienerberger.com.

The Wienerberger Group

Wienerberger is the world's largest producer of bricks (Porotherm, Terca) and the market leader in clay roof tiles (Koramic, Tondach) in Europe as well as concrete pavers (Semmelrock) in Central and Eastern Europe. In pipe systems (Steinzeug-Keramo ceramic pipes and Pipelife plastic pipes), the company is one of the leading suppliers in Europe. With its total of 203 production sites, the Wienerberger Group generated revenues of Euro 2,972 million and operating EBITDA of Euro 370 million in 2015.

For additional information contact

Karin Steinbichler, Head of Corporate Communications Wienerberger AG

T +43 1 601 92 - 10149 | communication@wienerberger.com

Klaus Ofner, Head of Investor Relations Wienerberger AG

T +43 1 601 92 - 10221 | investor@wienerberger.com

Earnings Data		2013	2014 restated 1)	2015	Chg. in %
Revenues	in Euro mill.	2,662.9	2,834.5	2,972.4	+5
Operating EBITDA	in Euro mill.	266.5	317.2	369.7	+17
Operating EBIT	in Euro mill.	55.3	100.2	167.6	+67
Profit before tax	in Euro mill.	-3.1	-215.3	107.0	>100
Profit after tax	in Euro mill.	-7.8	-229.7	69.8	>100
Free cash flow 2)	in Euro mill.	92.9	134.0	135.1	+1
Normal capex	in Euro mill.	106.0	121.8	137.7	+13
Growth capex	in Euro mill.	0.7	41.3	10.1	-75
Ø Employees		13,787	14,836	15,813	+7

Balance Sheet Data		2013	2014 restated 1)	2015	Chg. in %
Equity 3)	in Euro mill.	2,254.2	1,986.5	2,054.2	+3
Net debt	in Euro mill.	538.9	621.5	534.1	-14
Capital employed	in Euro mill.	2,767.6	2,591.9	2,569.9	-1
Balance sheet total	in Euro mill.	4,211.4	3,831.0	3,691.6	-4
Gearing	in %	23.9	31.3	26.0	-

1) The figures for the year 2014 were restated in accordance with IAS 8

2) Cash flow from operating activities less cash flow from investing activities plus growth capex

3) Equity including non-controlling interests and hybrid capital

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Wienerberger AG is a pure free float company, whereby the majority of shares are held by Austrian and international institutional investors. Additional information on the shareholder structure is provided under <http://www.wienerberger.com/investor-relations/the-wienerberger-share/the-wienerberger-share/shareholder-structure>.

emitter: Wienerberger AG
 Wienerbergstraße 11
 1100 Wien
 Austria
 contact person: Karin Steinbichler
 phone: +43 1 60192-10149
 e-mail: communication@wienerberger.com
 website: www.wienerberger.com
 ISIN(s): AT0000831706 (share)
 stock exchanges: official trade in Vienna



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