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*Public disclosure of inside information according to article 17 MAR*

## Wienerberger AG: Wienerberger doubled net profit in 2016

Wien (pta012/22.02.2017/07:30) - **Results 2016**

- **Excellent operational performance in 2016**
- **EBITDA up by 9% to Eur 404.3 million (2015: Eur 369.7 million)**
- **Increase in net profit by >100% to Eur 82.0 million (2015: Eur 36.5 million)**
- **Consistent strategic focus on value-creating projects, operational excellence and innovation**
- **Dividend proposal: Eur 0.27 per share (+35% compared to 2015)**

### **Business review 2016:**

- **Clay Building Materials Europe: moderate growth in European residential construction with diverging regional trends**
- **Pipes & Pavers Europe: sound growth in Nordic markets and Austria; decline of international project business in plastic pipe segment and low volume of sales for infrastructure projects in Eastern Europe**
- **North America: satisfactory development of US brick business and activities in Canada**

### **Outlook 2017**

- **Operational growth expected to continue this year**

With its 2016 results, Wienerberger AG was again able to prove its operational strength. In an economic environment characterized by highly diverging developments in the individual business areas, Wienerberger succeeded in outperforming its ambitious targets. At Group level, revenues remained almost stable at Eur 2,973.8 million in 2016. Over the same period, EBITDA increased by 9% to Eur 404.3 million. The company more than doubled its net profit to Eur 82.0 million year on year.

### **Wienerberger Group is strong and forward-looking**

Heimo Scheuch, CEO of Wienerberger AG, is satisfied of the Group's performance in the reporting year. "2016 was a good year for Wienerberger, despite widely diverging market trends. While new residential construction was gaining momentum in the USA and Europe, especially in Eastern Europe, the renovation market in Europe was sluggish. Additionally, our business in pipes and pavers was impacted by a challenging economic environment in the infrastructure sector in Eastern Europe. All in all, 2016 was a year of intensive activity: Our products were used to build 160,000 houses, set 288,000 roofs, install 630,000 kilometers of pipes and lay 12 million square meters of concrete pavers. We delivered a strong performance and consistently pursued our strategy. We invested approximately 1% of our revenues in research & development and in future-oriented projects. Many of these projects are part of our digital road map, designed to make Wienerberger fit for the future. Moreover, we invested almost Eur 44 million in growth projects, including the purchase of production sites for clay blocks in Poland and Romania, the acquisition of a Finnish plastic pipe specialist, and the construction of the most advanced concrete paver plant in Austria. By continuously optimizing our structures and processes in production and management, we were able to save another Eur 7 million. This is the key to our success and confirms that the Wienerberger Group is strong and forward-looking."

### **Development of earnings influenced by exchange rate differences, contributions from acquisitions and proceeds from asset sales**

When analyzing the development of earnings, several factors need to be taken into account. On a full-year basis, negative foreign exchange effects depressed revenues by Eur 60.9 million and EBITDA by approx. Eur 12.8 million. This resulted, above all, from unfavorable exchange rate differences against the British pound, the Polish zloty, the Norwegian crown and the Turkish lira. The development of earnings was supported by contributions from acquisitions in the amount of Eur 1.0 million, proceeds from the sale

of non-core real estate of Eur 17.9 million, and portfolio optimization measures in the USA in the amount of Eur 2.9 million.

#### **Increase in net debt due to hybrid bonds buyback - debt repayment period substantially below two years**

At December 31, 2016, the Group's net debt amounted to Eur 631.6 million, as compared with Eur 534.1 million at the end of 2015. This is exclusively due to the buyback of the 2007 hybrid bonds, as already announced, and the resulting reclassification from equity to debt. Without the hybrid bonds buyback, the Group's net debt would have gone down, mainly driven by a significantly higher cash flow from operating activities. At the end of 2016, Wienerberger's gearing stood at 34% and net debt/EBITDA was 1.6 years.

#### **Dividend for 2016**

Subject to approval by the Annual General Meeting of Wienerberger AG on May 19, 2017, a dividend of Eur 0.27 per share will be paid out to the shareholders. This corresponds to an increase of 35% compared to the previous year.

#### **Development of business in the Divisions**

##### **17% increase in EBITDA for Clay Building Materials Europe Division**

In 2016, the Clay Building Materials Europe Division generated revenues of Eur 1,681.2 million, up by 2% from the previous year. In a moderately growing European residential construction market with diverging regional trends, Wienerberger was able to increase its sales volumes at slightly increased average prices. The level of activity in Western Europe was satisfactory. The strong performance of the Eastern Europe region was supported by government funding for housing construction in several markets. The Division's operating result steeply increased to Eur 290.7 million, up by 17% from the previous year's level. Besides the excellent development of business, this was due to improved costs of goods sold, lower energy prices as well as the high share of innovative products and the growing popularity of bricks as a building material. Future-oriented products, such as bricks filled with mineral wool, accounted for approx. 25% of the Division's revenues.

##### **Pipes & Pavers Europe: Drop in revenues and earnings**

The Pipes & Pavers Europe Division experienced a decline in revenues by 5% to Eur 988.2 million in 2016. EBITDA dropped by 9% to Eur 98.5 million over the same period. In the plastic pipe business, solid growth in the Nordic core markets and in Austria was not able to offset the shortfall of demand in international project business. Moreover, business in all product groups - plastic pipes, ceramic pipes and concrete pavers - was characterized by extreme reticence of the public sector to invest in infrastructure projects in Eastern Europe, which in turn depressed the development of business in the Division.

##### **Adjusted for one-off effects, earnings of North America Division increased by 5%**

The North America Division reported satisfactory results of both the US brick business and the activities in Canada. Housing construction in the USA was positive, and Wienerberger benefited from the growing number of new housing starts in the single- and two-family home segment. In Canada, too, demand increased in the relevant markets. The North American plastic pipe business was exposed to intensive competition in the year under review, which put prices under pressure and had a negative impact on earnings in this segment. Overall, revenues increased by 5% to Eur 292.7 million, while EBITDA remained stable at Eur 32.7 million. Adjusted for contributions from real estate sales and the disposal of two production sites for concrete products, as well as optimization costs and foreign exchange effects, the North America Division recorded a 5% organic increase in earnings.

#### **Outlook and strategy**

For 2017, Wienerberger foresees a continuation of the progressive recovery in European residential construction, but expects business in the renovation segment to remain subdued. As regards infrastructure, demand is projected to stay at a satisfactory level in the Group's Western and Northern European markets. Wienerberger is cautiously optimistic that a slight recovery of public sector investment activities may occur in Eastern Europe in the second half of the year. In North America, there are strong indications of continued growth in the residential construction market.

##### **Target: Eur 415 million organic EBITDA at Group level (compared to 2016: Eur 382 million)**

In his outlook for 2017, Heimo Scheuch adds, "We are confident to be able to further improve our operational performance in 2017. We will pursue our strategy, focusing consistently on value-creating projects to round out our industrial portfolio, operational excellence and sound, organic growth in our markets through customer orientation and innovation. The economic environment will still be characterized by a great deal of uncertainty throughout the year, but we expect to be able to increase our organic EBITDA at

Group level to Eur 415 million." This target is based on organic growth and does not include contributions from the sale of non-core assets and from growth projects, nor does it take into account the potential impact of exchange rate fluctuations and the costs of structural adjustments.

For details on the 2016 results, please refer to the enclosed financial information. The complete financial statements for 2016 will be published on March 29, 2017 and posted on [www.wienerberger.com](http://www.wienerberger.com).

For a video statement by Wienerberger CEO Heimo Scheuch on the results of the full year 2016, 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/en](http://www.wienerberger.com/en).

### 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 198 production sites, the Wienerberger Group generated revenues of Eur 2,974 million and operating EBITDA of Eur 404 million in 2016.

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<b>Earnings Data</b>		<b>2014 restated 1)</b>	<b>2015</b>	<b>2016</b>	<b>Chg. in %</b>
Revenues	in MEUR	2,834.5	2,972.4	2,973.8	0
EBITDA	in MEUR	317.2	369.7	404.3	+9
Operating EBIT	in MEUR	100.2	167.6	197.7	+18
Profit before tax	in MEUR	-215.3	107.0	158.5	+48
Net result	in MEUR	-261.7	36.5	82.0	>100
Free cash flow 2)	in MEUR	134.0	135.1	246.5	+82
Normal capex	in MEUR	121.8	137.7	137.3	0
Growth capex	in MEUR	41.3	10.1	43.8	>100
Ø Employees	in FTE	14,836	15,813	15,990	+1

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<b>Balance Sheet Data</b>		<b>2014 restated 1)</b>	<b>2015</b>	<b>2016</b>	<b>Chg. in %</b>
Equity 3)	in MEUR	1,986.5	2,054.2	1,849.0	-10
Net debt	in MEUR	621.5	534.1	631.6	+18
Capital employed	in MEUR	2,591.9	2,569.9	2,460.0	-4
Total assets	in MEUR	3,831.0	3,691.6	3,637.2	-1
Gearing	in %	31.3	26.0	34.2	-

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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

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>.

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