

Annual General Meeting 2021 Report of the Chairman of the Managing Board

Dr. Dominik von Achten



Many thanks to all of you! Our...



... shareholders



... customers



... suppliers and service providers



... employees



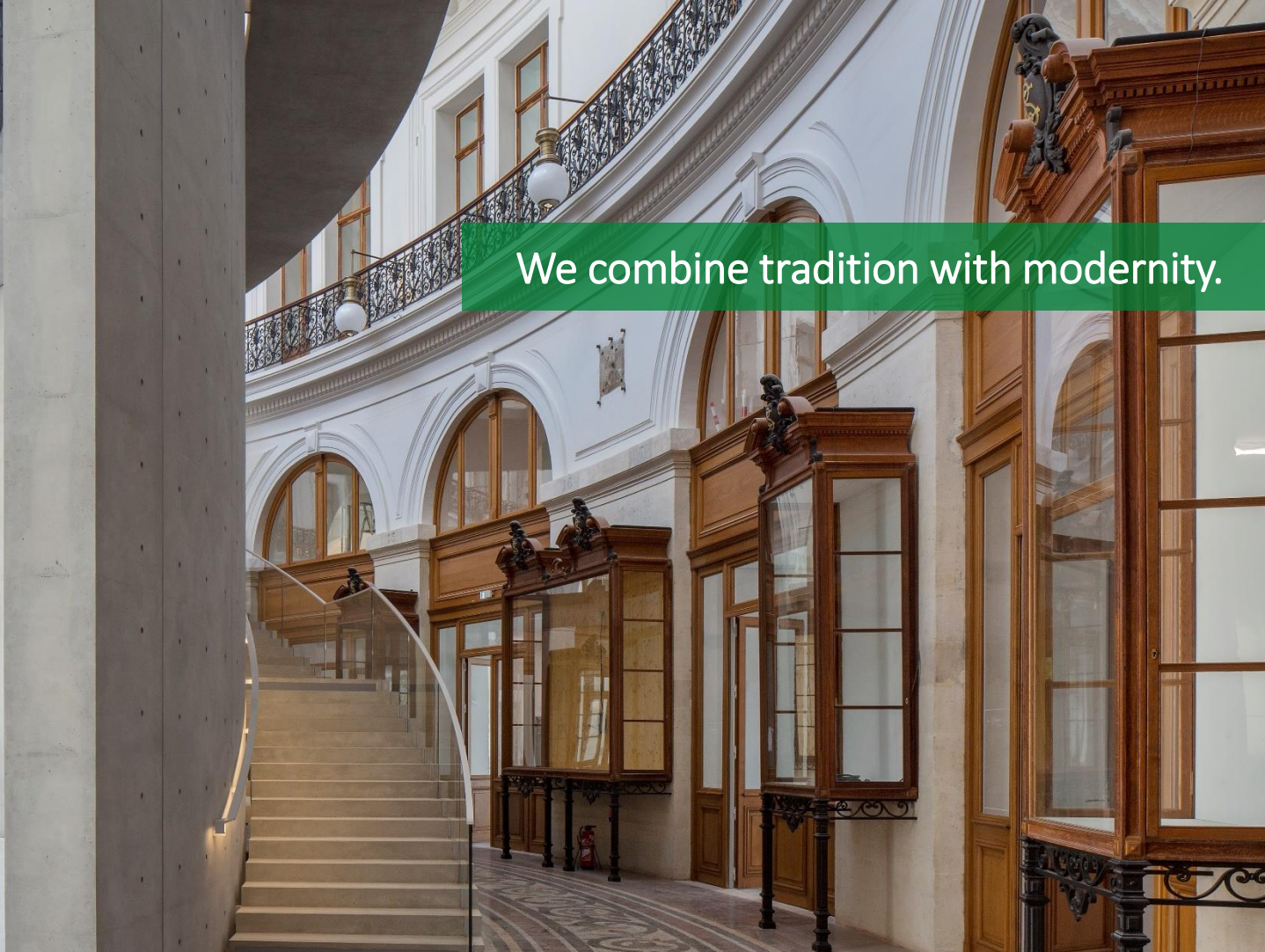
We bring people together.

Terminal 3, Frankfurt Airport, Germany
Cement for Germany's largest construction site. Completion 2025.



We are researching new products.

3D printed house, Beckum
Less material, lower carbon footprint - thanks to HeidelbergCement



We combine tradition with modernity.

Art Museum Bourse de Commerce – Pinault Collection, Paris, France
HeidelbergCement's building materials combine the demands of a modern museum with classical architecture

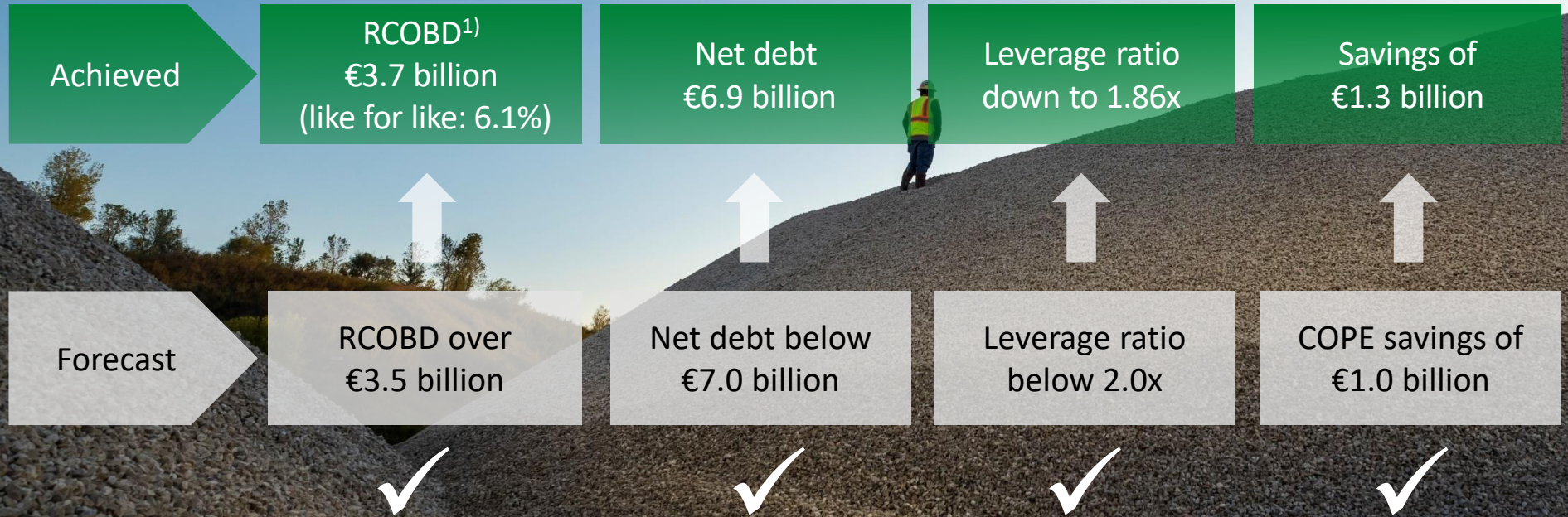
Key messages

- Record results in 2020 despite Covid-19 pandemic
- Return to progressive dividend: €2.20 per share
- Q1 2021 results significantly above market expectations
- High financial strength thanks to significant reduction in net debt
- Major progress in implementing our CO₂ roadmap
- Good start to the year confirms optimistic outlook for 2021

HEIDELBERGCEMENT



We exceeded our forecast for all key figures



1) RCOBD = Result from current operations before depreciation and amortisation

We achieved record values for most of the important key figures

Revenue

€17.6 billion

-7%

RCOBD

€3.7 billion

+4%

RCO

€2.4 billion

+8%

Adjusted earnings per share

€6.90

+8%

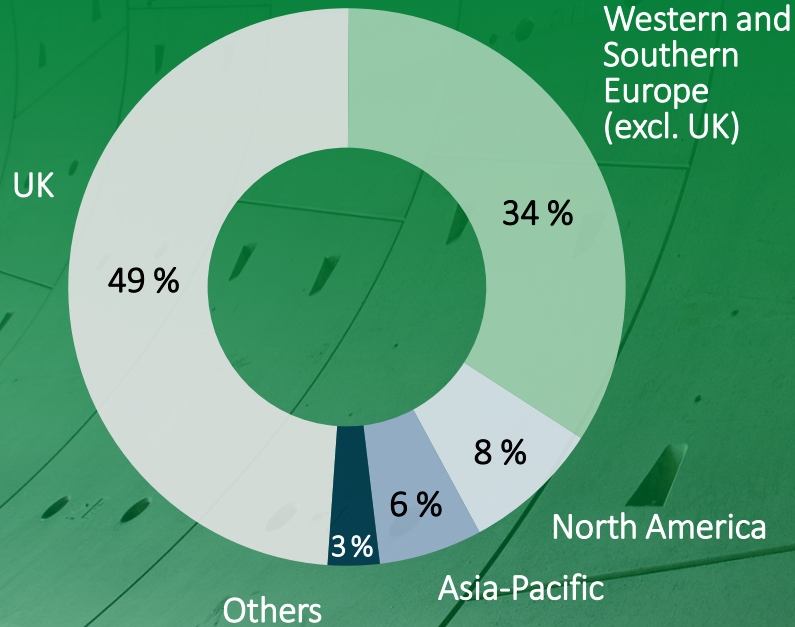
Return on invested capital (ROIC)

7.9%

+1.4 %-pts

We revaluated our asset portfolio during the pandemic

Impairment of €3.4 billion



No impact on operating performance or on cash flow

Positive effect on future return on invested capital (ROIC)



We significantly reduced net debt through high free cash flow

Record level of free
cash flow

€2.2 billion

+€0.47 billion (+28%)

Significant reduction in
net debt

€6.9 billion

-€1.5 billion (-18%)

Leverage ratio in strategic target
range of 1.5x-2.0x

1.86x

-0.49x

Important target of the Beyond 2020 strategy achieved:

Upgrade by the two rating agencies S&P (from BBB- to BBB) and Moody's (from Baa3 to Baa2)



We are returning to our progressive dividend policy earlier than expected

CAGR +30 %



Our share price has developed overproportionally



31 December 2019 – 30 April 2021 (Index: Base 100 = 31 December 2019)

Our Q1 2021 results are significantly above prior year and market expectations

Revenue

€4.0 billion

+1%

RCOBD

€538 million

+33%

RCO

€223 million

+280%

The building materials industry will continue to grow

Global megatrends that will shape the building materials industry over the next few years

Market dynamics

- Population growth and urbanisation in emerging markets
- Infrastructure incentives in mature markets, e.g. USA, EU Green Deal

Society

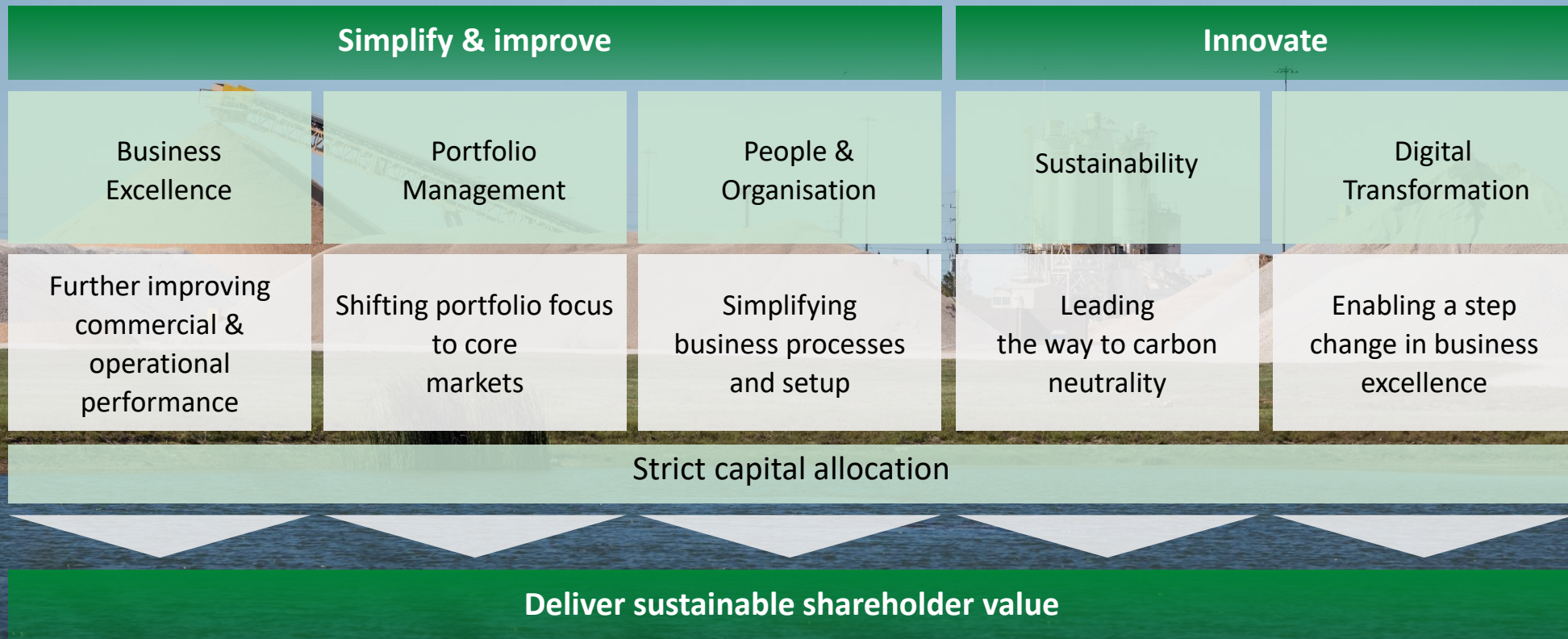
- Solutions for sustainable construction
- Models of circular economy
- Regulations with CO₂ taxes / emission caps

Technology

New business models:

- Digitalisation & automation
- Innovative and sustainable building materials
- Technologies for CO₂ reduction

Core elements of our Beyond 2020 strategy



We have set ourselves ambitious targets for the year 2025

EBITDA margin



+300 bps
vs 2019

ROIC



clearly **>8%**

Leverage ratio



1.5-2.0x

Sustainability



<525 kg

CO₂/t cementitious material

CO₂ reduction
target accelerated
by 5 years:
-30% vs 1990

Digital Transformation



>75% of global sales volumes
covered by HConnect

We make our portfolio simpler and more profitable



Egypt

Majority participation in Egypt delisted from the stock exchange



Kuwait

Sale of the majority participation in Hilal Cement

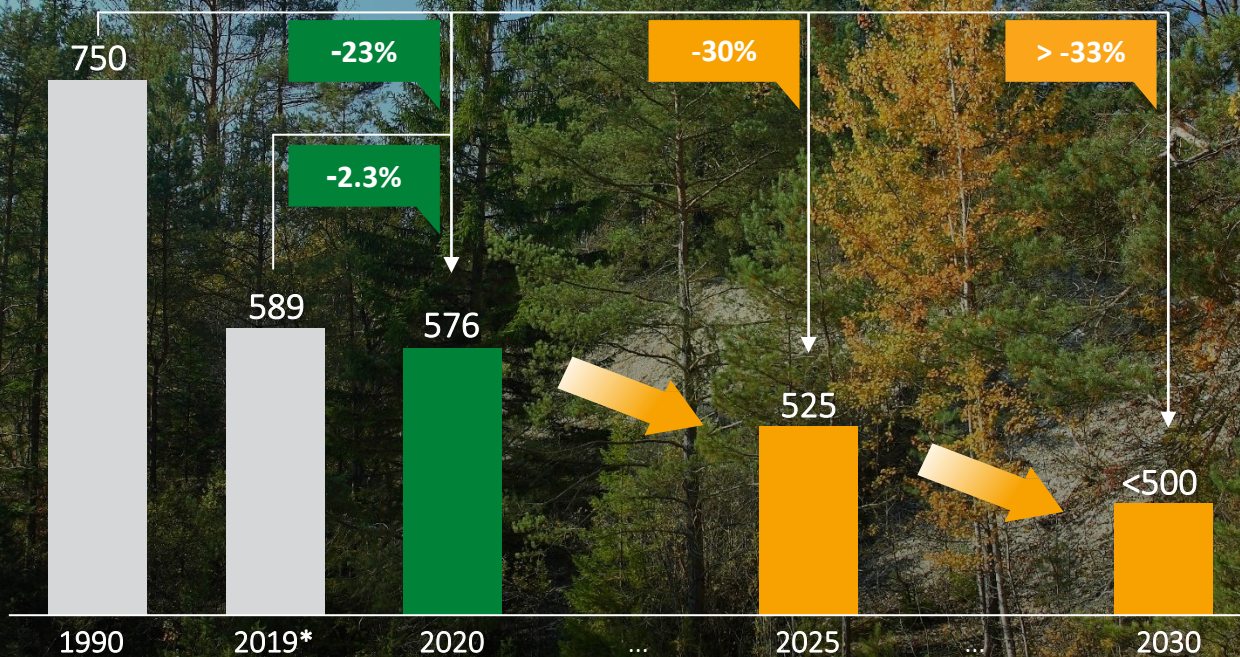


Greece

Sale of aggregates and ready-mixed concrete business

We are accelerating the reduction of our CO₂ emissions

Reduction of CO₂ emissions (status 2020):
(kg CO₂/t cementitious material)



*Previous year's figure differs from that reported in the previous year due to changed reporting scope

We embed the CO₂ reduction targets worldwide in the remuneration system

NEW



CO₂ reduction target
Target corridor: 0.7x to max. 1.3x

X

PREVIOUSLY



Financial target

The full bonus can only be achieved if we meet our climate targets

We are researching new CO₂ capture technologies...

Example:

LEILAC technology

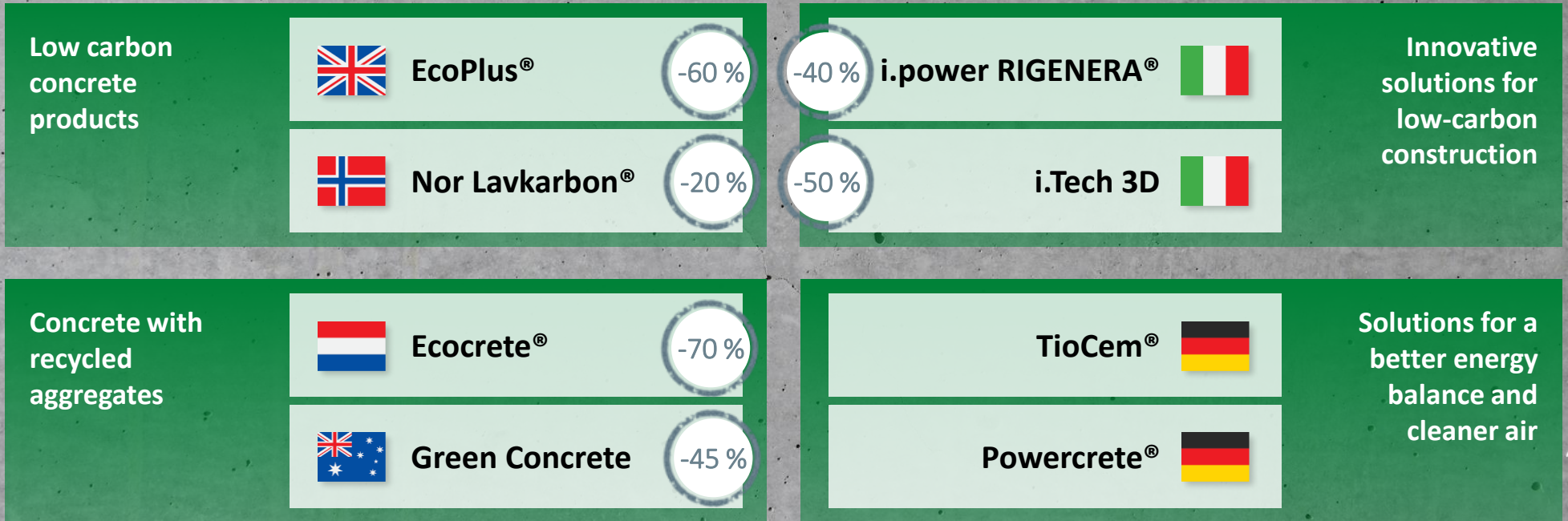
Capture of the CO₂ released during the heating of the raw material in high-purity form

... and are global pioneers in the implementation of CCU/S projects

Example:
Norcem cement plant in Brevik, Norway
Site of the world's first CCS project* in the cement industry on an industrial scale

* CCS: Carbon Capture & Storage

We are constantly expanding our range of sustainable product solutions



Estimated CO₂ reduction potential compared to conventional concrete, except for i.Tech 3D & i.power RIGENERA (reduced use of concrete)

We are a development partner in innovative 3D concrete printing technology

Potentials of 3D concrete printing

- Faster completion times
- Reduced CO₂ footprint
- Freedom of design
- Addresses the shortage of skilled workers
- Minimisation of errors
- Increased work safety
- Material savings, thin-walled components

We are making good progress in the digital transformation

HeidelbergCement becomes the first industrial technology group in the building materials industry

HConnect

- Share of Group revenue increased to >30%
- >7,000 active customers/month
- 70% of customers loyal HConnect users

HProduce

- 4 digital tools in use in the cement sector
- Production planning for optimised mill operation already used in 12 plants

HService

- Use of AI and robotics technology in accounting processes
- Complete digitization of the supply chain within reach

We are very well on track to achieve our 2025 targets

EBITDA margin



+300 bps
vs 2019

+206 bps
2020

ROIC



clearly **>8%**

7.9%
2020

Leverage ratio



1.5-2.0x

1.86x
2020

Sustainability



<525 kg

CO₂/t cementitious material

-2.3%
2020
vs 2019

CO₂ reduction
target accelerated
by 5 years:
-30% vs 1990



Digital Transformation

>75% of global sales volumes
covered by HConnect

30%
2020

Forecast 2021



Slight increase in revenue, RCOBD¹⁾ and RCO²⁾ on a like-for-like basis



Net investments in property, plant and equipment³⁾ € 1.2 billion



ROIC above 8 %



Leverage ratio between 1.5x and 2.0x



1) RCOBD = Result from current operations before depreciation and amortisation
2) RCO = Result from current operations
3) Only property, plant and equipment, excluding M&A and growth investments

Key messages

- Record results in 2020 despite Covid-19 pandemic
- Return to progressive dividend: €2.20 per share
- Q1 2021 results significantly above market expectations
- High financial strength thanks to significant reduction in net debt
- Major progress in implementing our CO₂ roadmap
- Good start to the year confirms optimistic outlook for 2021

HEIDELBERGCEMENT



Disclaimer

Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS).

This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, not past events. They include statements about our beliefs and expectations and the assumptions underlying them. These statements and information are based on plans, estimates, projections as they are currently available to the management of HeidelbergCement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond HeidelbergCement's control, could cause actual results to differ materially from those that may be expressed or implied by such forward-looking statement or information. For HeidelbergCement particular uncertainties arise, among others, from changes in general economic and business conditions in Germany, in Europe, in the United States and elsewhere from which we derive a substantial portion of our revenues and in which we hold a substantial portion of our assets; the possibility that prices will as a result of changing market conditions develop differently than currently anticipated by HeidelbergCement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, debt prices (credit spreads) and financial assets generally; a worsening in the conditions of the credit business; the outcome of pending investigations and legal proceedings and actions

resulting from the findings of these investigations; events of force majeure including natural disasters, pandemics, acts of terrorism, political unrest, armed conflicts, industrial accidents and their effects on our sales, purchasing, production or service activities as well as various other factors.

More information about certain of the risk factors affecting HeidelbergCement is contained throughout this presentation and in the Risk and Opportunities sections of HeidelbergCement's current annual and latest interim reports, which are available on the HeidelbergCement website, www.heidelbergcement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In addition to figures prepared in accordance with IFRS, HeidelbergCement also presents alternative performance measures, including, among others Operating EBITDA, EBITDA margin, Adjusted EPS, free cash flow and net debt. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. Other companies may define these terms in different ways. "Operating EBITDA" definition included in this presentation represents "Result from current operations before depreciation and amortization (RCOBD)" and "Operating Income" represents "Result from current operations (RCO)" lines in the annual and interim reports.