

2020 Capital Markets Day

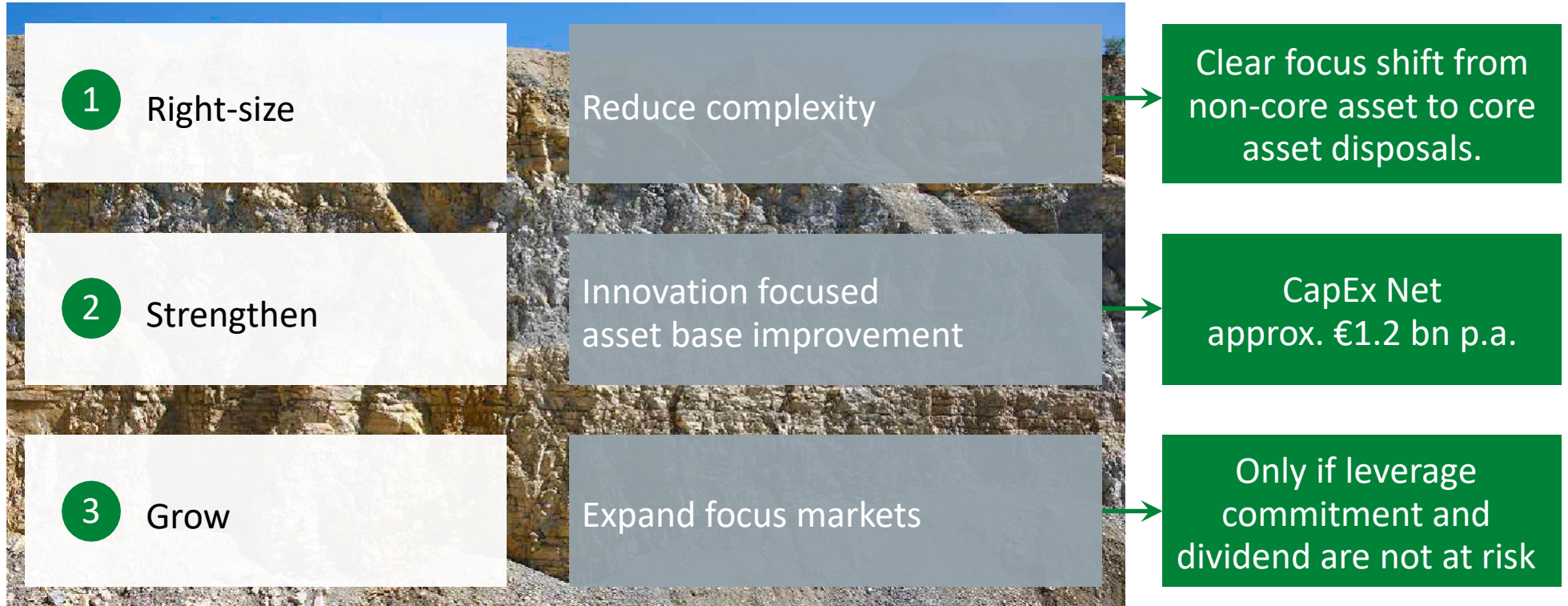
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Focusing on Core Asset Portfolio – Simplify & Prioritize

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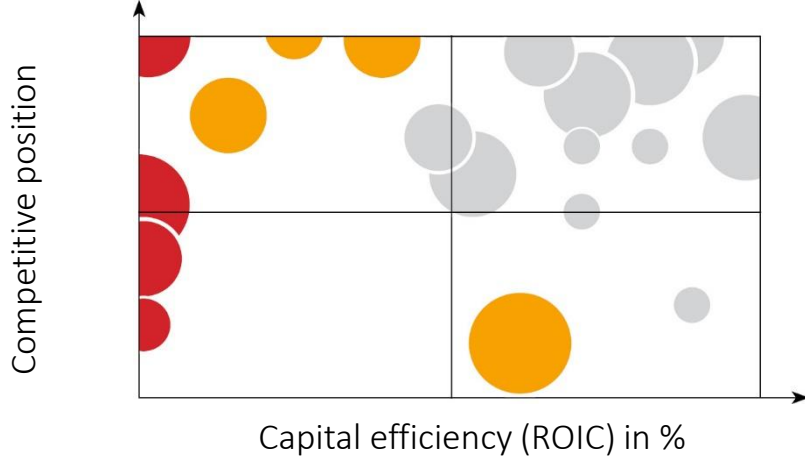
CEO

Focusing on core asset portfolio – simplify and prioritize



Simplify and improve portfolio

Portfolio principles & review



Balanced – but simplified – portfolio

Consisting of positions with:

- Strong competitive positions in defensible markets
- Financial returns exceeding cost of capital over cycle
- HC clearly as best owner (e.g. synergies)

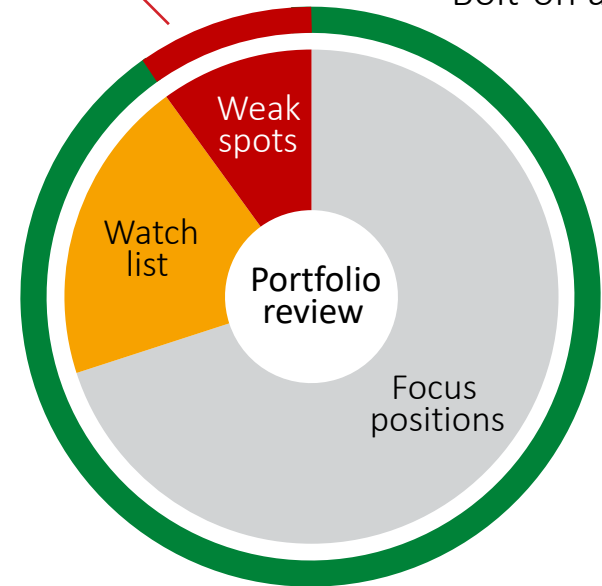
Categorization & portfolio decisions

Right-size

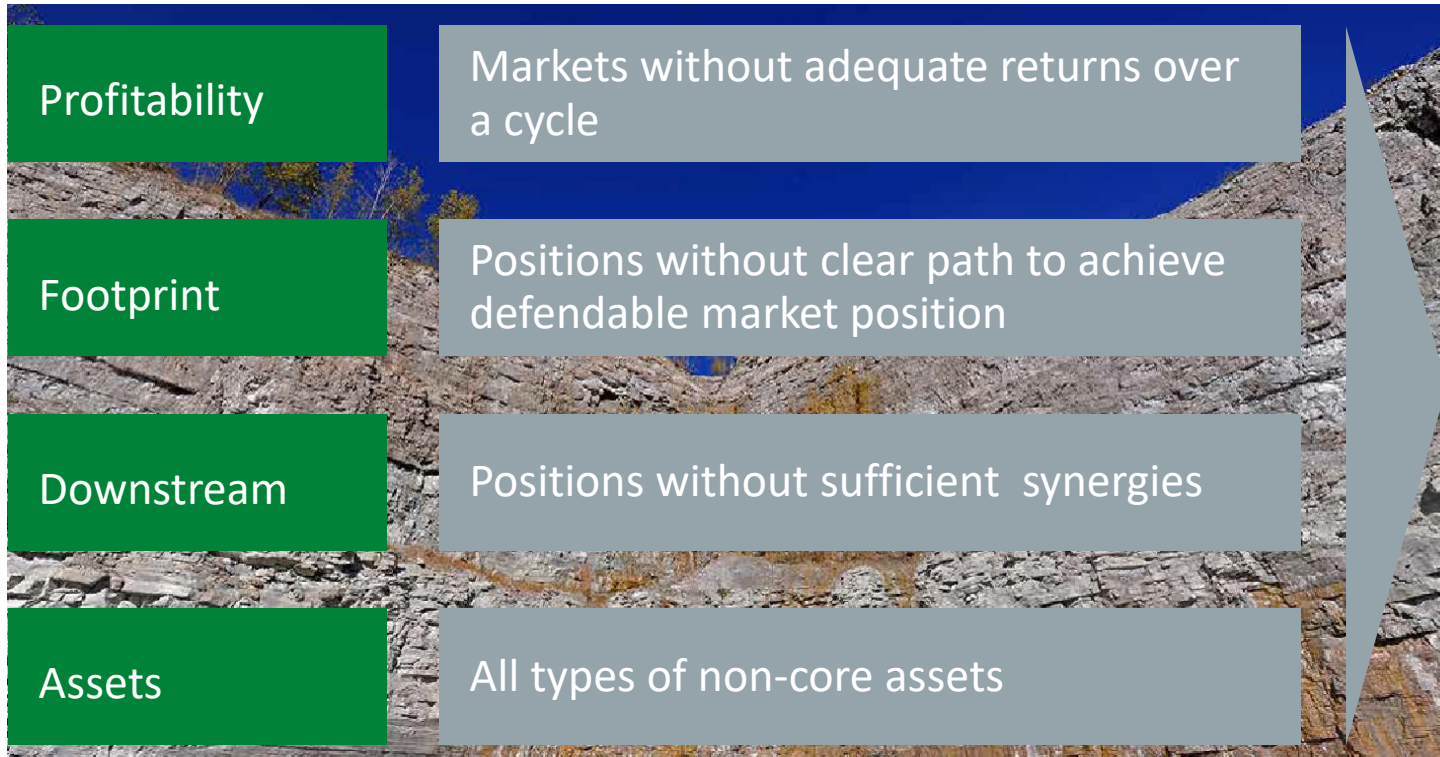
- Exit and reallocate capital

Strengthen & Grow

- Improve asset base
- Bolt-on acquisitions



Divesting assets which do not meet our investment criteria



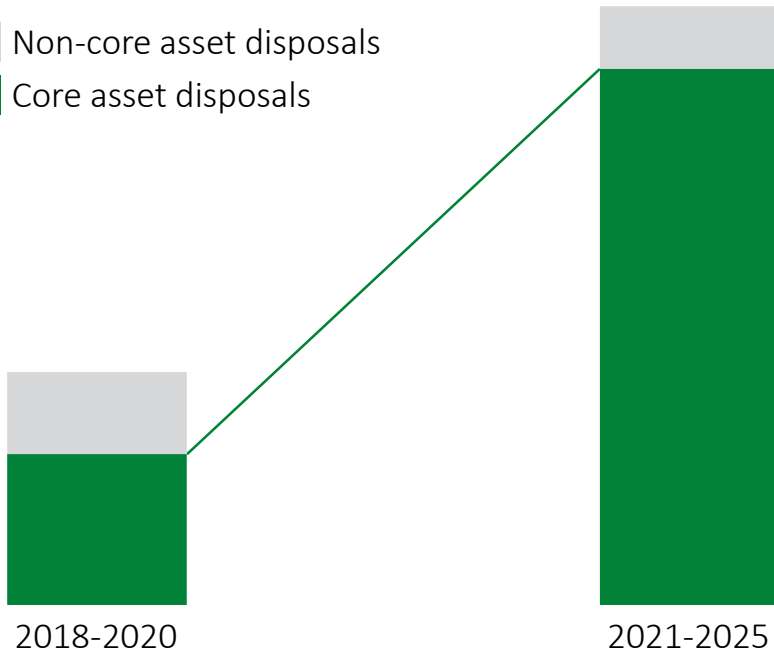
- Reduce the number of management units
- Introduction of watch list: if turnaround not feasible, EXIT
- Continuously monitor all assets against targets

Shifting focus from non-core to core asset disposals

Divestments

€m

- Non-core asset disposals
- Core asset disposals



Create more value through disposals

- Focus more on core asset disposals driven by new active portfolio management strategy
- Non-core asset disposals are expected to remain at normalized levels
- Potential disposal targets and “watch-list” already defined based on detailed strategic review of full portfolio
- Disposal criteria fully supporting our financial targets

Improving asset quality and competitiveness

Regular CapEx

All regular “stay in business“
CapEx

Improvement
CapEx

Focus on CO₂ and increased
digitalization of plants

Major plant
overhauls

Increase quality and efficiency of
older assets in profitable markets

- Increase the competitiveness of existing asset base
- Innovation oriented improvement
- Approx. €1.2 bn CapEx Net p.a.

Using part of excess cash for further profitable growth

Market consolidation

Selective bolt-on acquisitions with synergy potential to defend and improve existing positions in profitable markets

Vertical integration

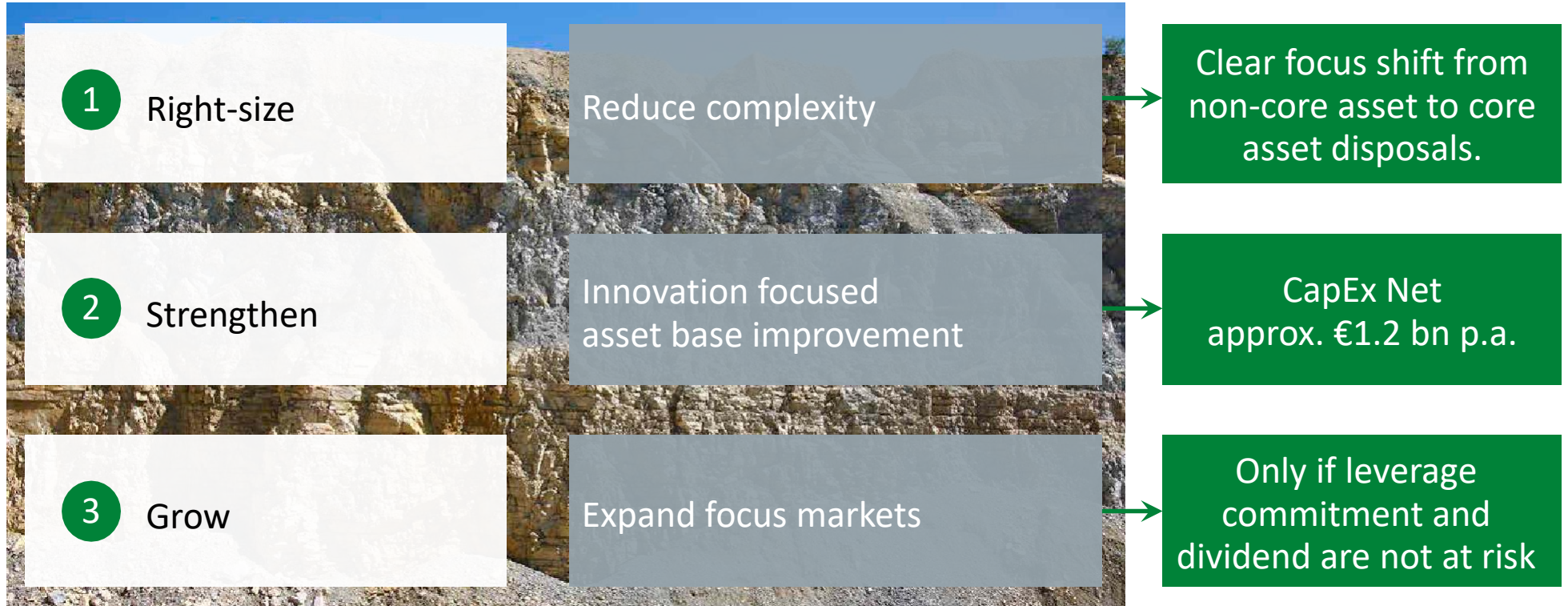
Push vertically integrated market positions in mature markets if it helps CEM/AGG market positions

Growing markets

Further invest in attractive markets where we currently operate

- Develop strong market positions
- No transformational new market entries
- ROIC above 8% after full integration
- Contribute to net profit in year 1 after acquisition

Focusing on core asset portfolio – simplify and prioritize



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