HOLCIM TO ACQUIRE XELLA

ADVANCING NEXTGEN GROWTH 2030

Source: Xella

20 October 2025

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Note: The transaction is subject to customary conditions and regulatory clearances, and expected to close in H2 2026

HOLCIM TO EXPAND BUILDING SOLUTIONS WITH STRATEGIC ACQUISITION OF XELLA

1. A new growth platform in the highly attractive EUR 12 billion+ walling market, with around EUR 1 billion in net sales and an EBITDA margin of ~20% in 2025

2. Xella's sustainable and energy-efficient solutions powered by premium brands that are complementary with Holcim's portfolio

3. Accelerating Holcim's high-value Building Solutions in line with our NextGen Growth 2030 strategy, with cross-selling and systems-selling opportunities

4. Transaction value of EUR 1.85 billion represents a pro forma 2026 EBITDA multiple of 8.9x, or 6.9x after run-rate synergies of EUR 60 million in year three. Expected to close in H2 2026[1]

5. EPS and free cash flow accretive in year one, ROIC accretive in year three

[1] The transaction is subject to customary conditions and regulatory clearances

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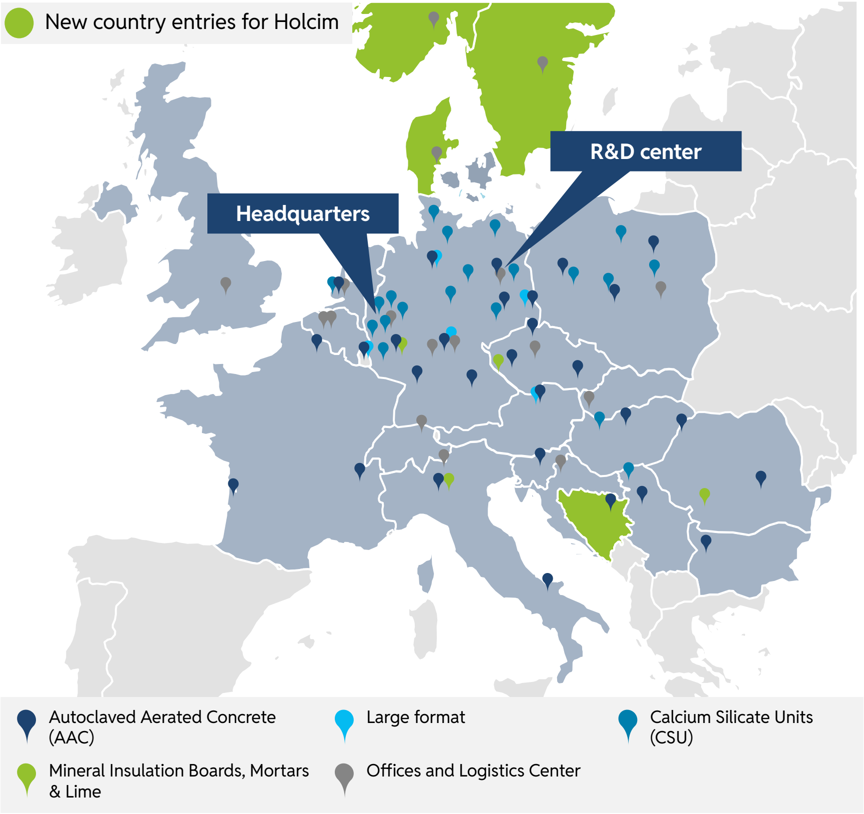
XELLA AT A GLANCE



Superior network covering key markets in Europe

- **>4'000 employees** incl. **200 specification salespeople**
- **Headquarters** in Duisburg, Germany
- **R&D center** in Berlin, Germany
- **+50 production facilities** across **21 countries**

Premium brands

AAC

YTONG

For energy- efficient and lightweight wall construction

hebel

AAC large format for structural walls, floors and roofs

CSU

silka

High-density CSU offering excellent sound insulation and load-bearing capacity

Mortars & Insulation

multipor

Thermal insulation systems made of non-combustible, mineral-based boards and mortars

Source: Company information as of December 2024
Building Thermal Insulation market, Markets & Markets, ERM market studies, Reuters
Others: Internal plastering and Conventional rendering, timber, precast, etc.

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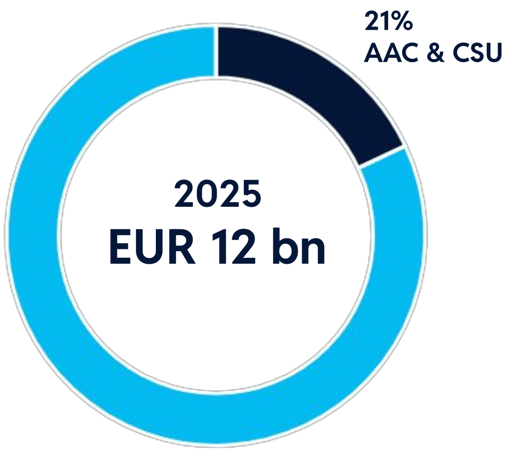
NEW GROWTH PLATFORM IN EUR 12 BN WALLING MARKET

European walling market to reach EUR 16 bn by 2030…



AAC and CSU continue to gain market share with a CAGR of +5% until 2030

…driven by strong market trends

Housing demand:
Europe housing need for 10 m dwellings and "housing cost overburden" (over 40% of disposable income spent on housing) requires a ramp-up of construction output

Energy efficiency regulations:
2030 net zero emissions regulation in EU increases demand for sustainable building solutions, with renovation rates set to double in the EUR 250 bn repair & refurbishment market

AAC and CSU's positive outlook:
Superior qualities in thermal insulation, ease of use, cost effectiveness and sustainability will drive above-market growth in the European walling solutions market

Source: Building Thermal Insulation market, Markets & Markets, ERM market studies, Reuters
Others: Internal plastering and Conventional rendering, timber, precast, etc.

SUSTAINABILITY ADVANTAGE OF XELLA'S WALLING SOLUTIONS

	Autoclaved aerated concrete (AAC)	Calcium silicate unit (CSU)	Clay bricks	Timber frame
Thermal insulation	●	◑	◕	●
Sound insulation	◑	●	◔	◔
Fire & water resistance	●	●	◕	◔
Ease of use	●	◕	◔	◑
Large formats	●	◕	◔	●
Lightweight	●	◑	◔	◑
Load bearing	◕[1]	●	◑	◑
Low carbon footprint	◕	◕	◑	◕
Recyclability	●	◕	◑	◔
Overall summary	◕	◕	◔	◑

Source: Company information
[1] Includes large format elements from Hebel

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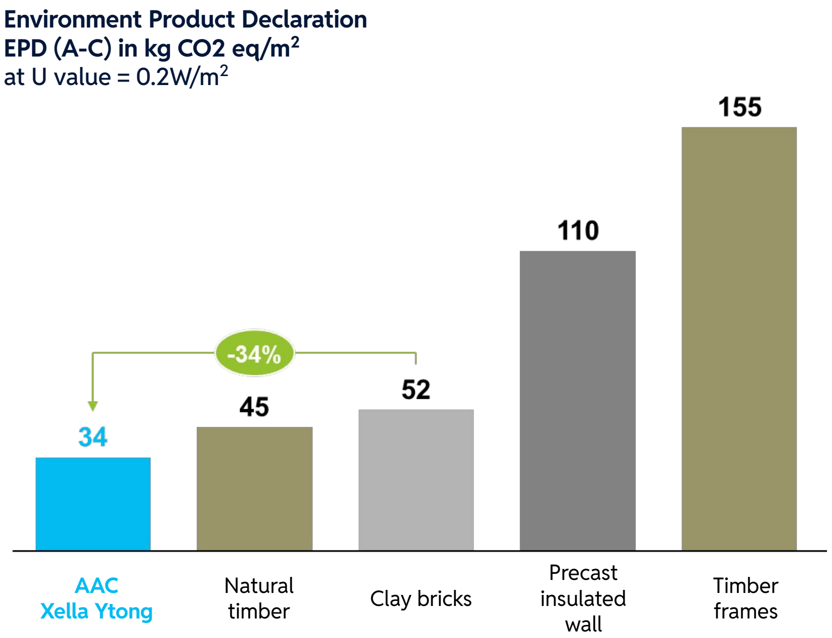
INNOVATIVE & SUSTAINABLE WALLING OFFERING

EPD carbon footprint benchmark



Best sustainable offering to meet customer needs

Lower embodied energy
The manufacturing process of AAC blocks consumes less energy compared to the production of clay bricks and cross-laminated timber

Thermal insulation
AAC offers exceptional thermal insulation properties while claybricks and cross-laminated timber require additional insulation

End-of-Life recycling
AAC can be crushed and reused while cross laminated timber requires careful disposal due to chemical treatment of timber

Source: civil engineering journals; International Journal of Management, Technology and Engineering, Webpage, Paper

HOLCIM AND XELLA'S COMPLEMENTARY SUSTAINABLE PRODUCT OFFERING

ROOFING SYSTEMS

ZINCO HOLCIM

ELEVATE

hebel

WALLING SOLUTIONS

CANTILLANA BUILDING SOLUTIONS HOLCIM

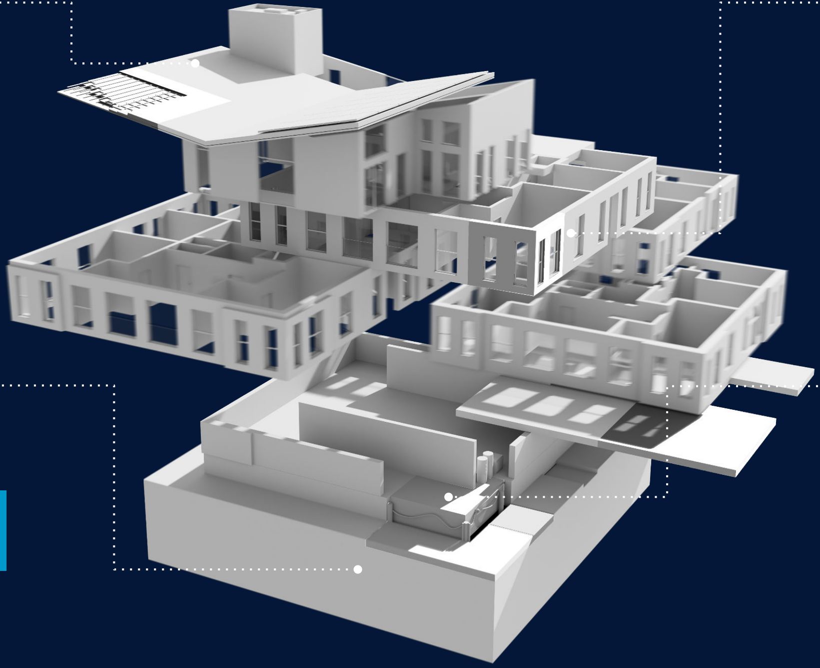
PRB HOLCIM

TECTOR

YTONG

multipor

silka



FOUNDATION & STRUCTURE

ECOPACT

DYNAMAX

hebel

silka

FLOORING SOLUTIONS

PRB HOLCIM

AGILIA

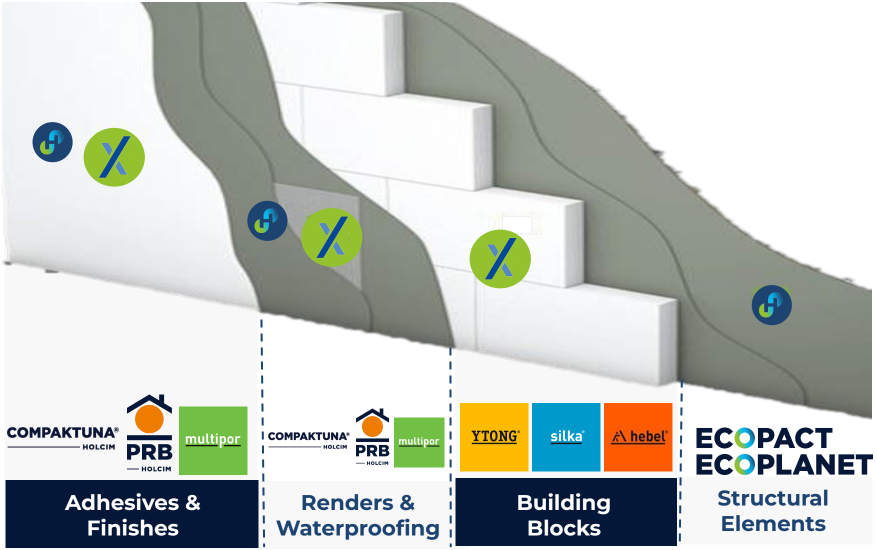
ARTEVIA

COMPAKTUNA HOLCIM

SPECIFICATION AND CROSS SELLING OPPORTUNITIES BASED ON COMPREHENSIVE PRODUCT OFFERING

Autoclaved Aerated Concrete (AAC)	Calcium Silicate Units (CSU)	Mortars & Insulation
		
YTONG, hebel	silka	multipor

Holcim and Xella's integrated wall system



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EXAMPLE OF POTENTIAL CROSS-SELLING OPPORTUNITIES: THE BELGRADE WATERFRONT PROJECT

Belgrade Waterfront City Center, Belgrade, Serbia
Built with Holcim's ECOPact and ZinCo, and Xella's Ytong, Silka and Multipor

Holcim and Xella's systems-selling for one of the region's largest urban developments

- **ECOPact** low-carbon concrete delivers 100% performance with lower CO_2 emissions
- **ZinCo's** nature positive and energy efficient solution with green roofing system
- **Ytong**, **Silka** and **Multipor** contribute to energy efficiency, thermal comfort and sound insulation

RUN-RATE SYNERGIES OF EUR 60 MILLION BY YEAR THREE

Phased revenue and cost synergies split 50/50

Revenue synergies	• Utilize Holcim's sales channels to expand Xella's sales • Cross-selling increasing Holcim's revenues with walling solutions including adhesives, finishes, renders, and waterproofing
Cost synergies	• Raw materials including cement, sand and gypsum • Distribution network optimization • Power and gas supply • Global admin and IT savings costs through full integration

Vertical Integration

HOLCIM & Xella

Complementary Footprint

System-Selling

PRB HOLCIM, ECOPACT, TECTOR, CANTILLANA HOLCIM, COMPAKTUNA HOLCIM & YTONG, silka, hebel, multipor

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EXCELLENT STRATEGIC FIT, ACCELERATING NEXTGEN GROWTH 2030 STRATEGY

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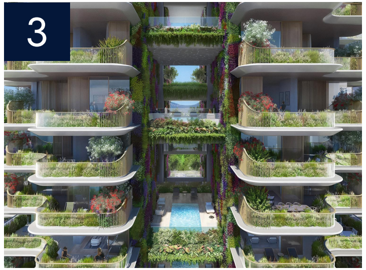
Focused investment in **ATTRACTIVE MARKETS**

SUSTAINABILITY driving profitable growth

Expanding high-value **BUILDING SOLUTIONS**



PERFORMANCE CULTURE and value creation

Xella

European leader in sustainable walling systems, a new growth platform in the highly attractive EUR 12 bn+ walling market

Sustainability leadership with energy-efficient systems and best-in-class sustainability footprint

High-value Building Solutions with cross- and system-selling opportunities

Digital innovation and a strong customer focus to advance the future of sustainable construction

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HOLCIM TO DRIVE SUSTAINABLE CONSTRUCTION

Xella

SUSTAINABLE AND CIRCULAR:

- Promotes a circular economy with locally sourced materials designed for easy reuse and recycling
- Enables green building standards (like LEED & BREEAM) with socially responsible, EPD-certified products

✓

ENERGY-EFFICIENT REFURBISHMENT:

- Meeting growing repair and refurbishment demand with complete solutions from foundations to roofing
- Improving quality of life with enhanced thermal and sound insulation for more comfortable living spaces

✓

PREFABRICATION AND MODULAR CONSTRUCTION:

- Boosting onsite productivity through offsite manufacturing of prefabricated and precast solutions
- Driving construction efficiency by reducing costs while simultaneously enhancing project quality

✓

DIGITAL AUTOMATION AND SMART DESIGN:

- Transforming the design process using advanced digital tools like Building Information Modeling
- Creating safer, more efficient buildings with improved cost management and greater reliability

✓

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