Success Story #1
Building for People – 200 years of Wienerberger

“To stand up to competition, it all comes down to one single factor that determines whether you will be successful or not, and that is the people who help a company identify opportunities, take the initiative and act.”

Heimo Scheuch, Chief Executive Officer of Wienerberger AG

“Building for People” means putting people center stage – a promise that Wienerberger has been fulfilling for 200 years. With entrepreneurial spirit and the power to innovate, we have been developing excellent solutions for our customers and partners since the establishment of the company. We are shaping the future by setting the pace in the industry.
Putting the customer center stage

What factors have ensured Wienerberger's success over the past 200 years? What does “Building for People” mean? And what personalities have shaped the company? An interview with the two Managing Board members Heimo Scheuch and Willy Van Riet.

This year Wienerberger is celebrating two very special anniversaries: its 200-year company anniversary and its 150-year listing anniversary. What is the secret of Wienerberger’s success?

Scheuch: Throughout its history, Wienerberger has overcome many radical economic and political changes: from the end of the monarchy to global economic crises and even two world wars. For me, there are two essential success factors: First, the entrepreneurial spirit with which many distinguished personalities have played a key role in the development of Wienerberger. Second, the fact that the company has always operated at the service of people – be it customers, partners or employees.

Van Riet: This corporate culture goes all the way back to our founding fathers Alois Miesbach and Heinrich Drasche. In the 19th century they founded a company that was totally focused on meeting the requirements of customers in their core market, the rapidly growing imperial city of Vienna. At the same time, they were advocates for their employees' interests by building housing for workers, giving them a place to live, which at that time was far from being the rule.

In the development of new markets and business areas Wienerberger opted for partnerships early on. Can you give us some examples?

Scheuch: One example is the determined expansion in Eastern Europe after the fall of the Iron Curtain. At that time Wienerberger was a true pioneer. On numerous occasions during the company's expansion we have chosen to cooperate with other successful businesses for mutual benefit. The establishment of Pipelife as a joint venture with the Belgian Solvay Group in 1989 was the start of a remarkable success story. Today, the pipe business is one of our core fields of business. To date, there have always been dedicated individuals who have advanced Wienerberger's development.

Van Riet: That is correct. One such outstanding person who shaped the expansion of the brick business in Western Europe is Christian Dumolin.

For me, there are two essential success factors: First, the entrepreneurial spirit with which many distinguished personalities have played a key role in the development of Wienerberger. Second, the fact that the company has always operated at the service of people – be it customers, partners or employees.
In 1996 Dumolin contributed Terca Bricks, at that time Europe’s largest manufacturer of facing bricks, to Wienerberger. As a major shareholder and member of the Supervisory Board, he played an important role in shaping the development of the company up to 2013. In 2004, for example, he contributed to another strategic milestone with the integration of Koramic’s roofing operations into the Wienerberger Group. This step not only resulted in the expansion of our product range but also turned Wienerberger into a pure free float company through the sale of the interests held by the core shareholders.

Is it this entrepreneurial spirit that has allowed Wienerberger to capitalize on times of crisis to generate change and growth?

Scheuch: Absolutely. Throughout its company history, Wienerberger has always used radical changes to re-invent itself and, with entrepreneurial spirit and common sense, has never allowed temporary upheaval to deter it from remaining true to its vision. Take, for example, the big financial crisis ten years ago: At that time many experts recommended that we immediately pull out of Eastern Europe because according to them the region would never recover. We disagreed with them, always believing in the great potential harbored by this region. Today, we are recording the strongest growth and have highly profitable operations in Eastern Europe.

How are you handling such challenges today?

Van Riet: Basically our strategy is the logical extension of the nature of our business. Given our long-term investment cycles, you have to act with foresight and focus on the right long-term trends. It goes without saying that the financial market tends to take a more short-term view, which creates some tension that we try to address through very open communication.

What is your entrepreneurial spirit telling you today – what developments are you seeing and what trends are you focusing on?

Scheuch: In my opinion, the three key aspects that are closely interlinked with each other are the power to innovate, customer focus and the digital transformation. The primary focus of our operations is the customer, whom we want to offer excellent solutions. These are characterized by innovative and enhanced product...
In Granada I saw the marvelous buildings constructed by the Arabs from marble and stone – side by side with red bricks,” said Alois Miesbach in an enthusiastic report of his trip. It started with his fascination with fired clay as a building material, and ended with the cornerstone for a global corporation: In 1819 the civil engineer from Moravia purchased the state-owned brickworks in Meidling, in the south of Vienna, and later on estates on the Wienerberg. By 1845 Alois Miesbach had already become the largest brick manufacturer and the leading coal producer in the Habsburg Empire. The avid entrepreneur had two passions: science and people. At the height of his career, Wienerberger was the leading brick manufacturer in Europe with an output of more than 120 million bricks a year and a workforce of 4,700. Miesbach also set up a nursery school on the factory premises, promoted the training of skilled workers, supported social clubs and built schools and hospitals.

Heinrich Drasche was the son of a cloth manufacturer from Brno. The nephew of Alois Miesbach joined his uncle’s company in 1829, where he first headed the brick-works on the Laaer Berg and for many years was in charge of the coal mines. After Miesbach’s death, Drasche succeeded his uncle in 1857. He expanded Wienerberger while profiting from the construction boom in Vienna at the time: The construction of the Ringstrasse and the incorporation of the second to ninth districts skyrocketed demand for bricks in an unprecedented manner. For Heinrich Drasche innovative processes and products were the priorities right from the start. In 1860, the first continuous kiln was installed at Wienerberger. Its construction allowed for energy-efficient and almost uninterrupted production. Drasche turned Wienerberger into a stock corporation and went public in 1869, choosing the Vienna Stock Exchange for the IPO. Drasche’s work was met with international acclaim. In 1870, the industrialist was knighted for services to economic development in the monarchy.

The entrepreneur Christian Dumolin has shaped the international development of the Wienerberger Group in the past two decades: As the head of the Belgian Koramic Building Products Group he contributed Terca Bricks – at the time the largest facing brick manufacturer in Europe – to Wienerberger in 1996. With Koramic as the core shareholder, the course was set for the successful expansion of the brick business in Western Europe. In 2003, Wienerberger acquired an interest in Koramic Roofing, and one year later the roofing operations of the Belgian company were fully integrated. This opened up the way for today’s shareholder structure: Wienerberger AG is the only stock corporation to be listed on the Vienna Stock Exchange with 100% of the shares being publicly owned, free float shares. As a major shareholder and member of the Supervisory Board, Christian Dumolin played a key role in the development of Wienerberger up to 2013. In addition, he holds numerous seats on the supervisory boards of leading European companies. With the Terca brand, Wienerberger continues to be the number one in the European facing bricks market. Clay roof tiles are sold in Western Europe under the Koramic brand.

The founder and humanist Alois Miesbach (1791–1857)  
The coal and brick baron Heinrich Drasche von Wartinberg (1811–1880)  
The cosmopolitan entrepreneur Christian Dumolin (*1945)
features as well as new and easier processing procedures, which increases quality, shortens construction time and lowers costs during use. The progressing digitalization of all spheres of life is fundamentally changing our business model, ranging from the interaction with our customers and partners as well as the implementation and planning of construction projects to internal processes in administration and production. Wienerberger plays a leading role in shaping this transformation.

I am fully convinced that as an industry we are only at the beginning of fundamental change. Van Riet: In addition to our dedicated internal teams, acquisitions are another priority in our efforts to actively promote the topics mentioned. Currently, some interesting acquisition targets are available which could help us establish or consolidate our position in attractive growth environments. We must proceed with determination without endangering our sound balance sheet. We therefore have defined specific yield targets, and we are acting with great financial discipline and in a highly selective manner.

What are the relevant factors for your continued success in the next 200 years? Scheuch: In an increasingly interconnected world, companies are facing a broad array of challenges. To stand up to competition, it all comes down to one single factor that determines whether you will be successful or not, and that is the people who help a company identify opportunities, take the initiative and act. When you set yourself ambitious goals, you are well-advised to recruit talented and committed employees, deploy them according to their skills and interests and develop them. Therefore it is also part of our vision to be the employer of choice in our markets – a target that we will continue to persistently pursue. The primary focus of our operations is the customer, whom we want to offer excellent solutions.
Success Story #2

Building for People – Digitalization

"For me, 'Building for People' means joining forces to improve people's quality of life. This is the path we are consistently pursuing at Wienerberger. Jörg Reinold, Chief Information and Digital Officer, Wienerberger AG

Digitalization changes the way we communicate, work, interact and innovate. State-of-the-art technologies help us raise our customer relations and business processes to a higher level. This applies to Wienerberger's entire business model – from sales to administration to production."
We are shaping the digital future of our industry

From networking in design to virtual reality – digitalization concerns all of Wienerberger's fields of business. Chief Information and Digital Officer Jörg Reinold works on the development of new solutions for our employees, partners and customers.

"Digital processes are not an end in themselves, but have to generate a benefit for people. To be successful, we need to make sure that our employees, partners and customers join us on our journey", says Jörg Reinold. In his role as Digital Officer, he has been working on Wienerberger's digital transformation since 2017. In this process, the 37-year-old business management graduate never loses sight of our maxim: 'Building for People'.

"We develop added-value services and take the needs of all our stakeholders into account."

A virtual exploration of the dream house

The My Designs tool introduced in 2018 by General Shale, Wienerberger's subsidiary in the USA, is an excellent example. This design app enables customers to visualize their home built with Wienerberger products. A further innovation is already in use in Austria: the virtual-reality app, complete with VR goggles, takes customers on a virtual tour of their future home on a smartphone. In Belgium, the All4Roof platform is being tested. It will enable roof-setters to plan and implement their projects more efficiently.

"We have successfully launched these tools in local markets and intend to roll them out to other countries of the Wienerberger Group", explains Jörg Reinold.

Wienerberger uses digital processes to open up new fields of business: "We intend to focus increasingly on the marketing of home building concepts and high-performing infrastructure solutions", says Reinold. The first completely digital e4 house is under construction in the Czech Republic, inspired by the vision of the so-called "cognitive home", which is designed and built by means of Building Information Modeling (BIM). Its inhabitants are supported by a smart household assistant.

Smart solutions for infrastructure projects are another field of application: The Raineo® rainwater management system produced by Pipelife protects buildings against flooding and promotes the sustainable management of water, receiving input from weather forecasts.

Trendsetting solutions like these help Wienerberger to intensify its customer relationships and optimize its business processes. The company has taken the lead in shaping the digital transformation of the building materials industry. Over ten million hits per year on the various media make digital communication the most important channel. "Digitalization enables us to develop tailor-made services for our partners and customers".

In everything we do, people must always come first. Together with our customers, partners and employees, we are sustainably shaping Wienerberger's digital future. Jörg Reinold, Chief Information and Digital Officer of Wienerberger AG
Jörg Reinold explains this includes web shops, digital product catalogues or configuration tools for contractors as well as apps for end customers. At the same time, digital tools are used to improve cooperation with stakeholders along the value chain and to strengthen direct sales. “We want to upgrade the dealer from an intermediary into a fully integrated business partner”, explains Reinold, outlining the vision. “This means that we cooperate with partners and customers on their projects and support them from start to finish. We can thus ensure that our products are factored in at an early stage of the process and then used to optimum effect.”

Employees contribute their own ideas. Having introduced new business models, Wienerberger is evolving from a pure supplier of building materials into an integrated service provider. Well-trained employees are essential to this digital transformation. “At Wienerberger, we are making every effort to develop talents and foster networking”, says Reinold. This happens, for instance, within the framework of the internal L.A.B. (Lead-Act-Build) program, where employees get the chance to pursue and implement their ideas about innovation, Industry 4.0 and digitalization. Last year, this led to the development of ten prototypes which were then tested in practice – including the cognitive home approach. According to Reinold, there is a great deal of potential for the future. In production, for instance: intelligent networking can help to align production to customer requirements in a more energy-efficient and flexible way. “Turning visions into reality and developing new solutions – that is what digitalization is all about,” emphasizes the transformation expert.

Data protection is a matter of high priority at Wienerberger. In 2018, more than 80 data controllers ensured compliance with all regulatory requirements. Across the Group, over 250 employees working in IT, finance and human resources received training on data security. Moreover, the company regularly cooperates with partners to develop an international cyber defense strategy, allowing it to react quickly to any threat in this field. Data privacy for customers and partners.

Featuring: Jörg Reinold, Chief Information and Digital Officer
“To me ‘Building for People’ means harnessing all the potential at Wienerberger in the best possible manner. Together we can achieve a lot.”

Solveig Menard-Galli, Chief Performance and Transformation Officer, Wienerberger AG

We are striving to become top of the class in everything that we do. With the Fast Forward 2020 program we are a big step closer to achieving this goal. As part of our operational excellence, the program makes a substantial contribution to the implementation of our corporate strategy. Together we are making the Wienerberger Group fit for the future.
We are developing the potential at Wienerberger

Solveig Menard-Galli is convinced that “it is always people who make a difference. Wienerberger has highly skilled employees who want to drive change. It is up to us to support them in this endeavor.” Ms. Menard-Galli, who is 49 years old, is in charge of Wienerberger’s Fast Forward 2020 program, which was initiated in the fall of 2018. The program aims at improving the company’s financial performance and tapping into available potential throughout the Group.

Clearly defined increase in earnings “With Fast Forward 2020 our company will become top of the class in all areas,” explains Ms. Menard-Galli. The program is part of Wienerberger’s operational excellence – one of the pillars of Wienerberger’s business strategy alongside organic growth, growth projects and portfolio optimization. What is new is that all projects planned in this area have now been bundled into a Group-wide set of measures with the clear objective of increasing Wienerberger’s EBITDA by 120 million euros in the three years from 2018 to 2020.

As far as implementation goes, Wienerberger is well underway: “With approximately 20 million euros, we have reached our target for 2018,” says Ms. Menard-Galli. The company is expecting 40 million euros in contributions in 2019 and a further 60 million euros in 2020. Fast Forward 2020 is in the best of hands with the internationally experienced senior manager. Together with her team in the newly established Transformation Office, she coordinates the three-year program and reports directly to Wienerberger’s CFO.

Within the Fast Forward 2020 program, we are working together to kick-start many processes, enabling the company to become top of the class in all areas.

Solveig Menard-Galli, Chief Performance and Transformation Officer of Wienerberger AG
More efficiency in six work streams

Fast Forward 2020 is being implemented in six work streams. "The largest contribution to earnings is expected to come from manufacturing excellence," says Ms. Menard-Galli by way of analysis. This particular work stream looks to make improvements in manufacturing – ranging from process management and the automation of processes to higher energy efficiency and less scrap. "We review each and every plant in detail beforehand, and then the five to ten most promising measures are implemented without delay."

Another important sector is commercial excellence, focusing on the optimization of pricing and the further enhancement of the product portfolio to offer customers the best possible value added. This includes expanding the portfolio through system solutions or digital helpers, such as a calculation tool for roofers. "We have also identified great potential in procurement," adds Ms. Menard-Galli. These measures include the bundling of supplier contracts as well as the establishment of central expert teams for core issues like materials, packaging or spare parts. Appropriate measures are also being implemented in supply chain management, general administration and the restructuring of organizational units.

Investing in employees Wienerberger is providing approximately 50 million euros up to 2020 to leverage optimization potential. This money is going primarily to projects promising attractive yields in the manufacturing excellence work stream. At the same time, expert know-how is being expanded within the company. In that regard Ms. Menard-Galli and her team put great emphasis on the development and targeted training of staff. This sees the transformation office work in close cooperation with human resources and the relevant local departments. According to Ms. Menard-Galli, Wienerberger is well-prepared for the future. How has Fast Forward 2020 gone down with the employees? "We have received a lot of positive feedback from throughout the company because the opinion of colleagues is being heard. Moreover, one of the central goals we are pursuing in this project is ensuring maximum transparency, which goes down well with staff," says Ms. Menard-Galli. "To me 'Building for People' means harnessing all the potential at Wienerberger in the best possible manner. Together we can achieve a lot."
Success Story #4

Building for People – Innovation

“For me, ‘Building for People’ means creating affordable housing where people feel at home. This is the goal we pursue every day at Wienerberger. Alexander Lehmden, Head of International Product Management Wall, Wienerberger AG

Wienerberger regards the transformation of the industry as an opportunity to shape the market of the future and to explore new fields of business. We develop energy-efficient building systems, safe and secure supply networks, and environment-friendly pavers for our customers. In all these areas, innovation plays an important role.”
We never stop thinking about the future of housing
Alexander Lehmden sees great potential there for a new field of business with applications in both new construction and renovation. “This innovation offers us the opportunity to broaden our product range of infill bricks. The material can also be cut into large insulating panel for renovation projects”, says the expert.

Wienerberger acquired a stake in Interbran in the fall of 2018 and is closely involved in the product development process. Step by step, the products are to be tested and developed to market maturity. Industrial production and marketing will then be launched at a pilot site.

Innovation driven by employees

The innovative power of Wienerberger’s employees is a strong driving force for new ideas. “We have a transparent innovation pipeline in which we evaluate the market potential of new approaches step by step”, explains Alexander Lehmden. Every employee is welcome to contribute ideas, for instance via the “Ideas and More” platform. “It’s the people who work with the products every day who know best how to make them even better”, adds Lehmden.

As a brick professional, Lehmden is convinced that Wienerberger is well positioned for the future. The development priorities range from processing innovations and new applications to research into new materials and production processes to the sustainable use of raw materials. “If we want to deliver on our promise to be ‘Building for People’, we have to get better day by day”, says Lehmden. “In the end, this is all about creating affordable housing for people to feel at home in.”

Innovation in the pipe segment

Pipelife, Wienerberger’s wholly owned subsidiary, is a leading European supplier of pipes, pipe systems and accessories made of high-quality plastics. The company’s innovative drive matches that of its parent, as some of its most recent developments show:

**Isoterm:** The Norwegian market leader in pre-insulated, frost-resistant pipes has been part of Pipelife since July 2018. It produces special pipes for infrastructure projects, primarily for water and sewage water management in remote regions.

**Raineo Smart Meter:** Pipelife’s Raineo Smart Meter is a measuring station consisting of several sensors. It monitors water throughput in pipes and predicts floods. Four stations are currently in trial operation.

**Smart Probe:** Based on an entirely new technology, this add-on greatly facilitates the attachment of different types of sensors to the pipe. Smart probes are able to accurately locate defects in the pipe and perform measurements without any interruption of supply to the user.

Featuring: Alexander Lehmden, Head of International Product Management Wall