

Italian Infrastructure & Energy Day

9 September 2020



Executive Summary

VOLUMES

In Q2 cement volumes declined in all geographies, particularly in Italy and Eastern Europe, due to the pandemic impact, apart from the USA. For Q2 as a whole, cement down -6.1%.

YTD cement volumes down (-3.4%) at 13.4 mton; ready-mix concrete volumes more impacted (-6.3%)

- Italy: severe contraction due to the lockdown of industrial operations until May. Stronger trend in June but YTD volumes still down significantly. Heavier impact on ready-mix production
- United States: cement up in the first half, thanks to marginal impact from Covid-19 and no restrictions on construction activity (except in the North-East); ready-mix slightly down
- Central Europe: Cement YTD slightly down in Germany and unfavorable in Luxembourg (very weak April and stronger trend in May-June). Ready mix up in Germany thanks to different scope but significantly down in Benelux
- Eastern Europe: cement slightly better in Czech Republic, meanwhile Ukraine, Poland and Russia more affected by the pandemic; ready-mix decreased

PRICES

Favorable variance across the board in local currencies, particularly in Poland and Italy

FOREIGN EXCHANGE

Almost €m 11 advantage on Net sales and €m 3 on EBITDA from stronger dollar and hryvnia

FINANCIALS

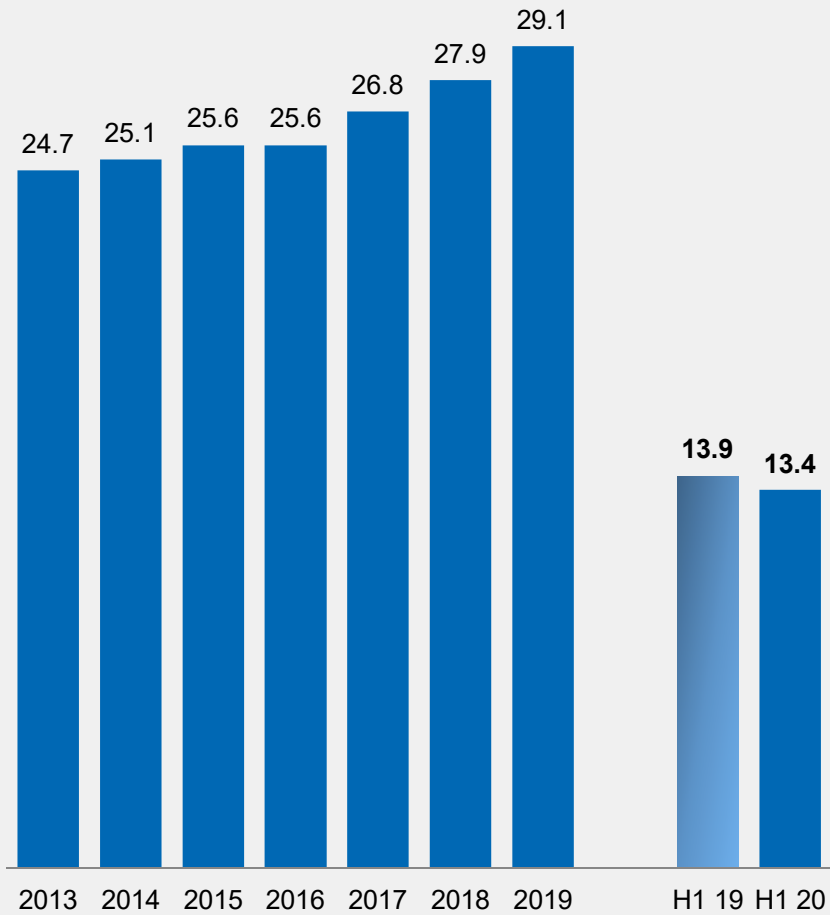
- Net Sales at €m 1,520 (€m 1,519 in 2019), -1.4% like-for-like
- EBITDA at €m 314 (€m 289 in 2019), +8.3% like-for-like
- Net debt at €m 385 versus €m 568 at year end 2019

GUIDANCE

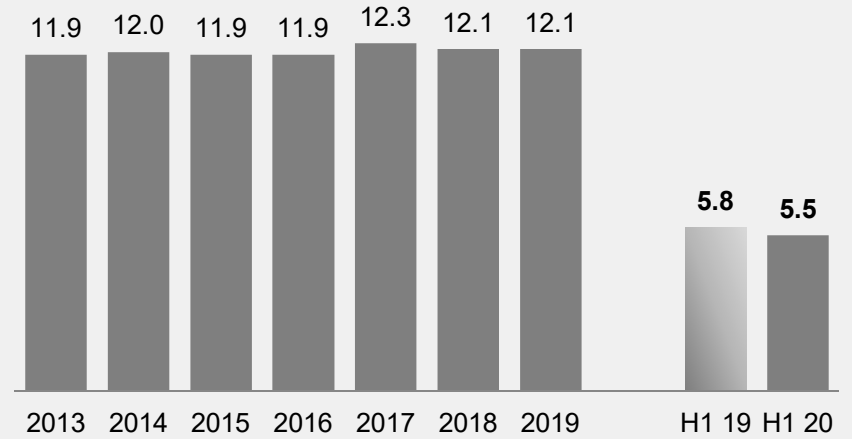
Guidance for 2020: recurring EBITDA expected to decrease between 5% and 10% versus last year

Volumes H1 2020

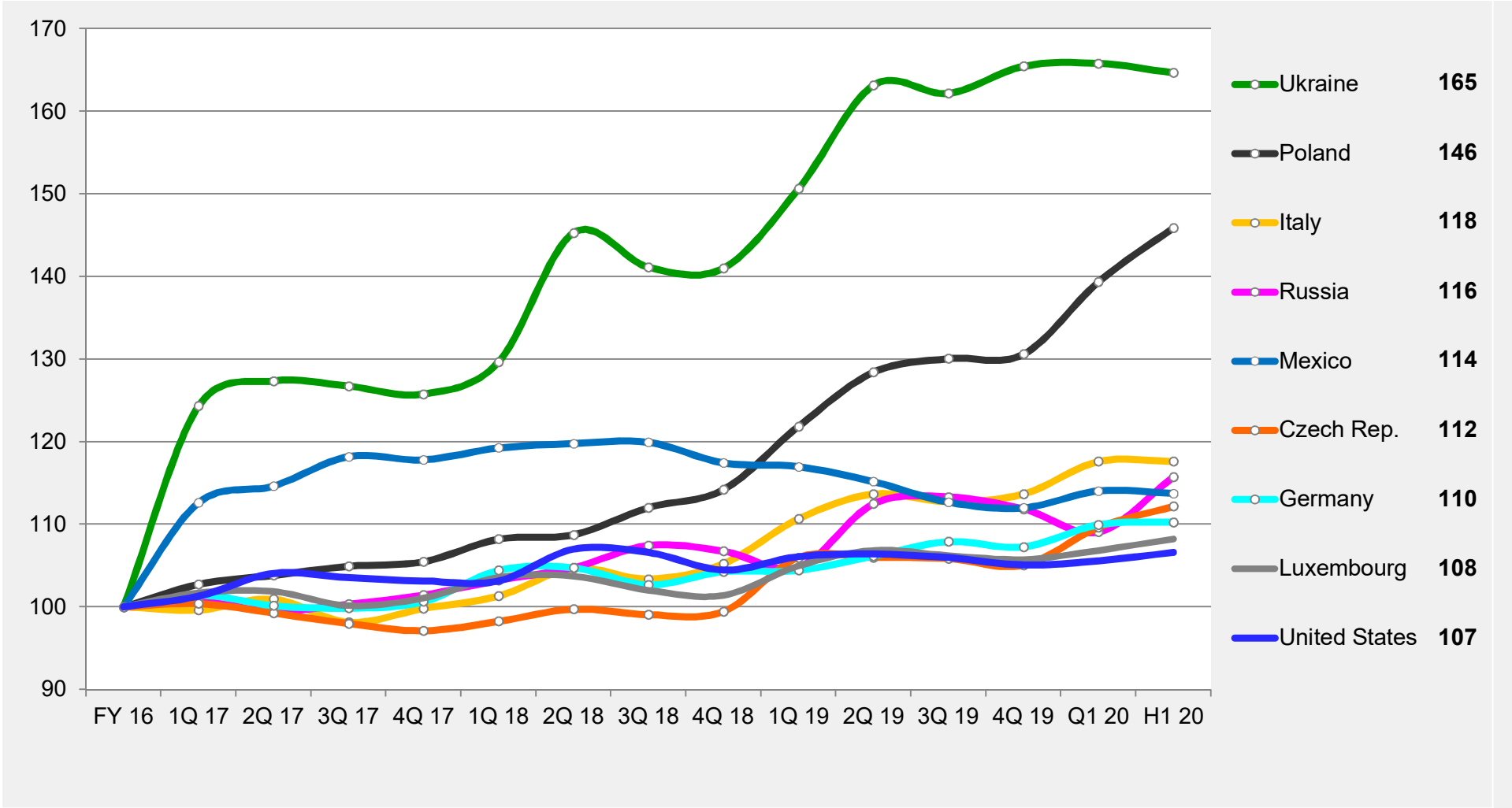
Cement (m ton)



Ready-mix concrete (m m3)










Price Index by country



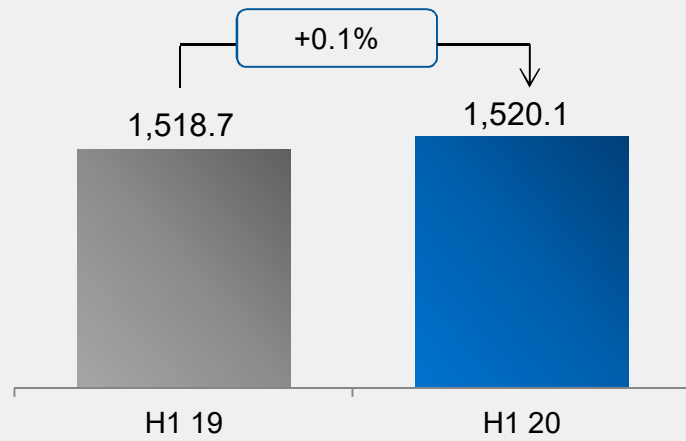
In local currency; FY16 = 100

FX changes

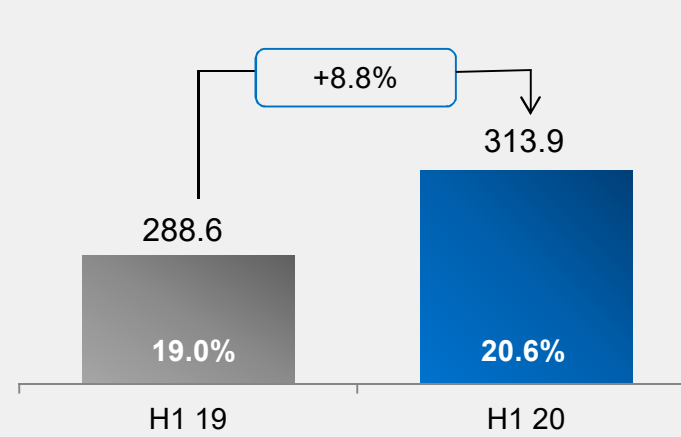
		H1 20	H1 19	Δ	2019	Current
EUR 1 =		avg	avg	%	Avg	
	USD	1.10	1.13	+2.5	1.12	1.18
	RUB	76.67	73.74	-4.0	72.46	88.97
	UAH	28.63	30.42	+5.9	28.92	32.82
	CZK	26.33	25.68	-2.5	25.67	26.44
	PLN	4.41	4.29	-2.8	4.30	4.45
	MXN	23.84	21.65	-10.1	21.56	25.53
	BRA	5.41	4.34	-24.6	4.41	6.28

H1 20 Financial Highlights

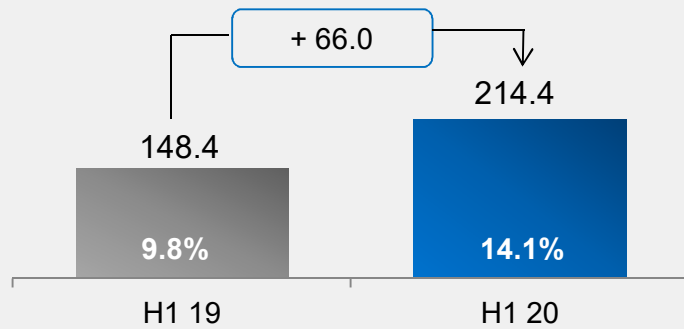
Net sales (€m)



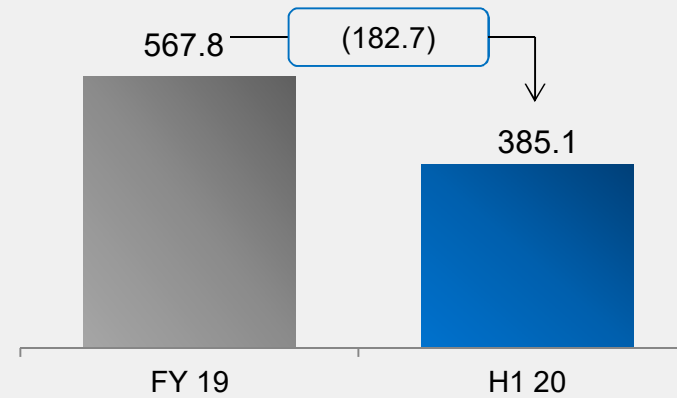
EBITDA (€m, % of sales)



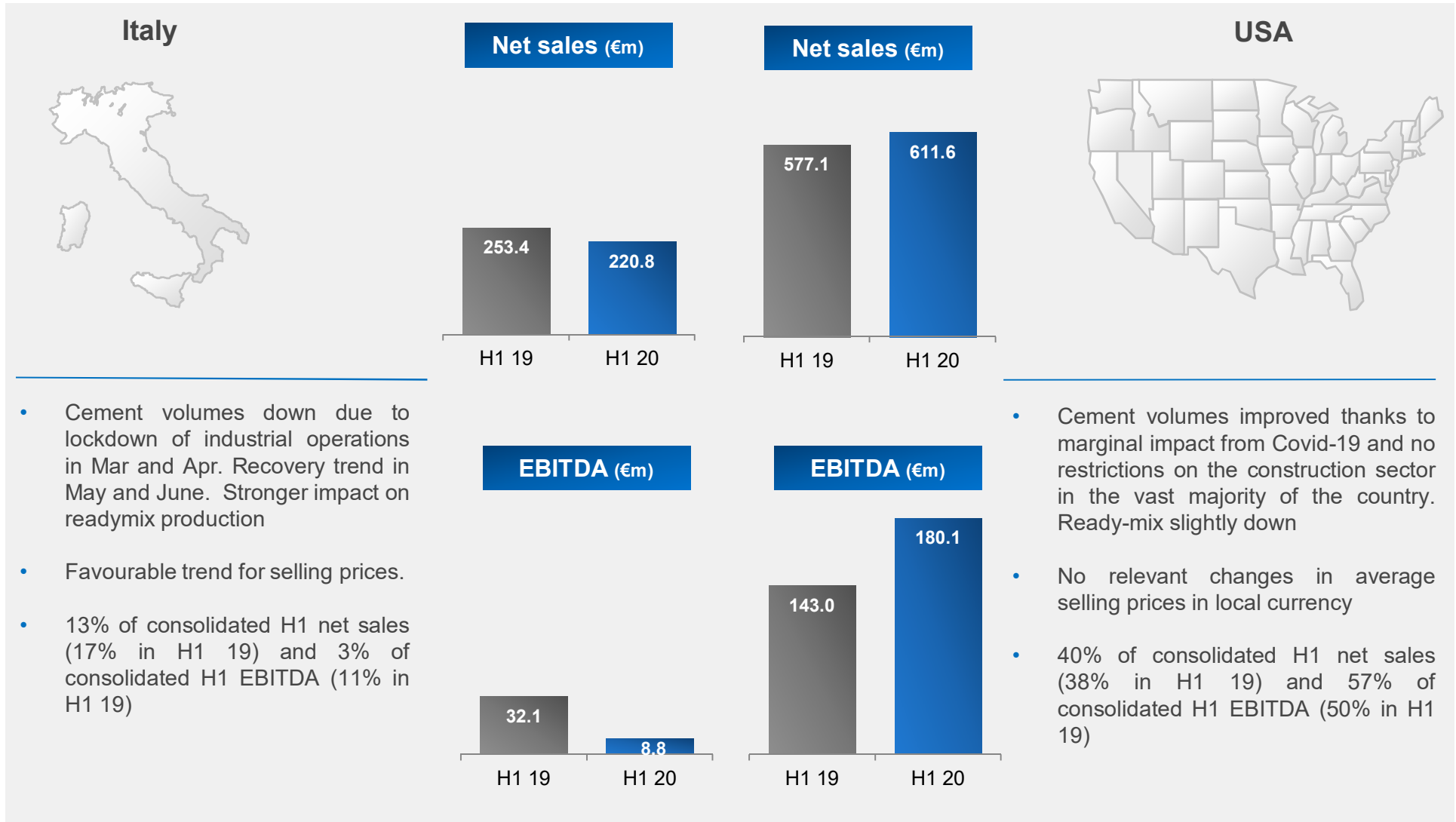
Net Cash from operations (€m, % of sales)



Net Debt (€m)

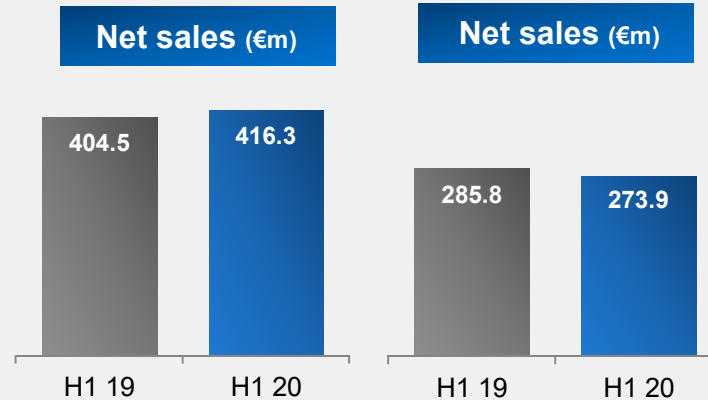


Results by Geographic Area | Italy & United States of America

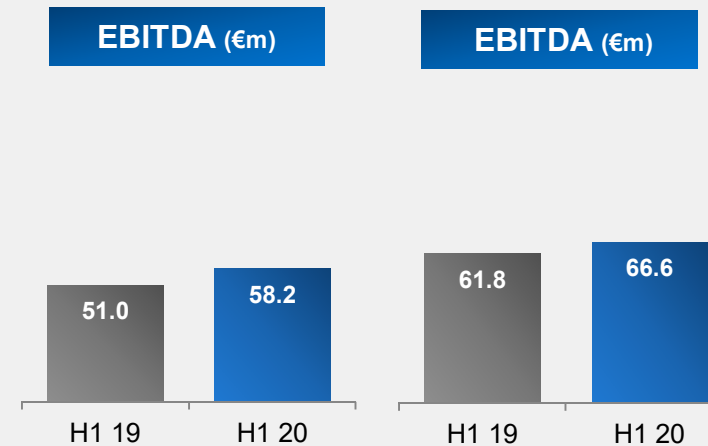


Results by Geographic Area | Central & Eastern Europe

Central Europe



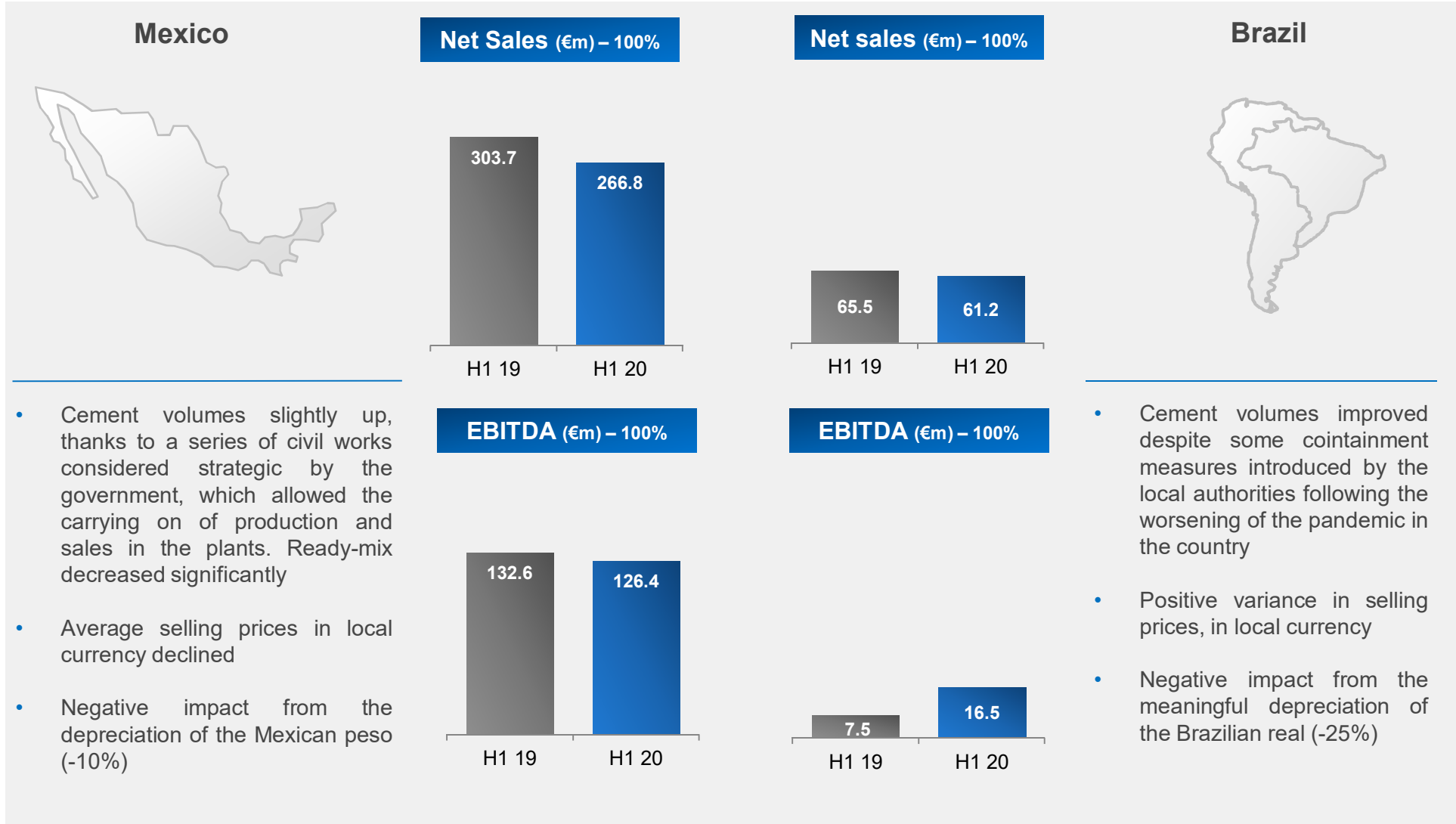
Eastern Europe













- Cement volumes only slightly down in Germany, thanks to limited negative impact from Covid-19. Luxembourg unfavorable after very weak April and stronger trend in May-June. Ready-mix concrete up thanks to different scope in Germany
- Average selling prices improved
- 27% of consolidated H1 net sales (27% in H1 2019) and 19% of consolidated H1 EBITDA (18% in H1 19)

- Cement volumes slightly better in Czech Republic, meanwhile Ukraine, Poland and Russia performed worse, more affected by the pandemic; ready-mix negatively impacted too
- Average selling prices in local currency improved (Poland in particular)
- 18% of consolidated H1 net sales (19% in H1 19) and 21% of consolidated H1 EBITDA (21% in H1 19)











Results by Geographic Area | Mexico & Brazil (valued at equity)



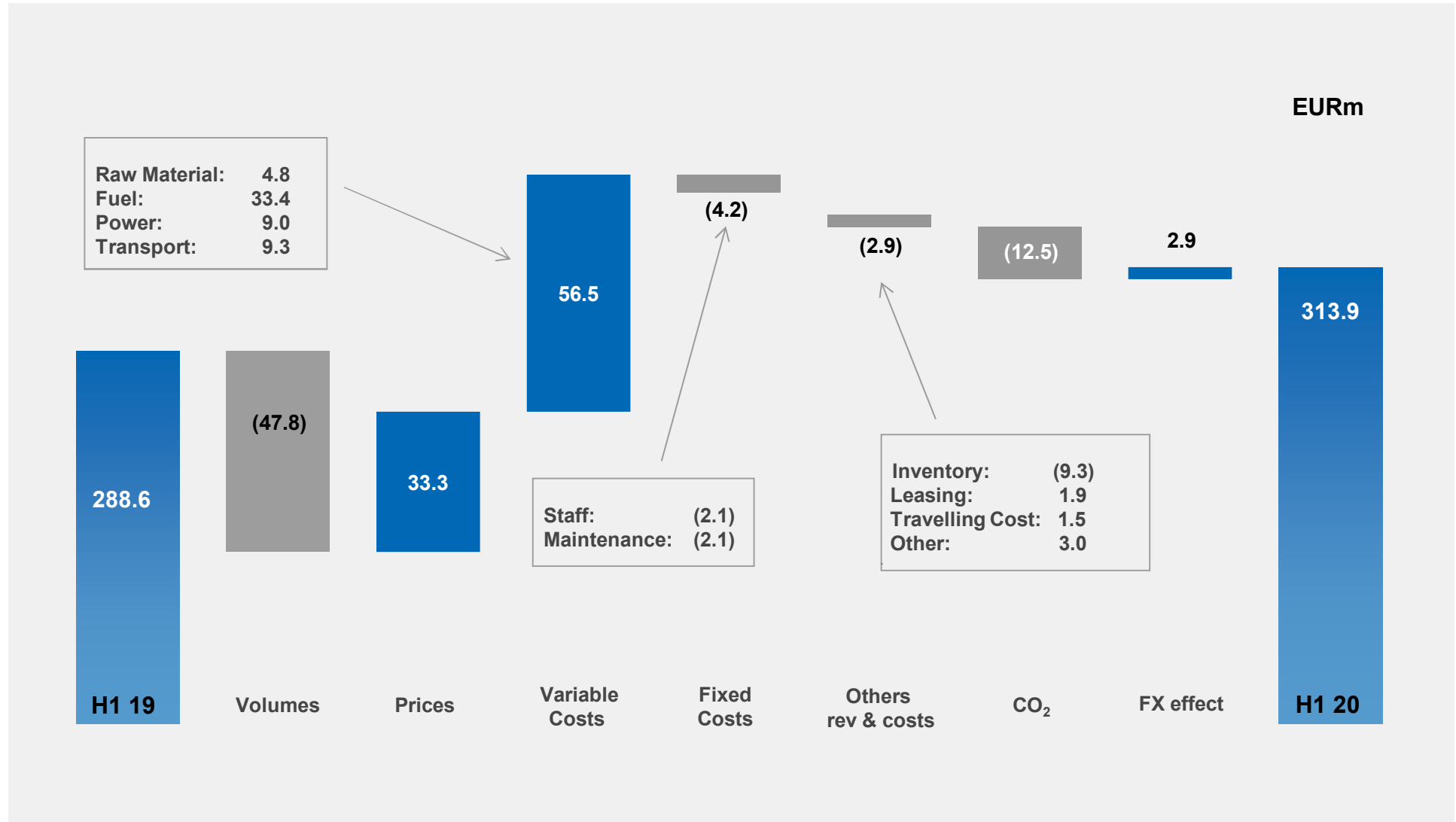
Net sales by country

	H1 20	H1 19	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			Abs	%	abs	abs	%
 Italy	220.8	253.4	(32.6)	-12.9	-	6.9	-15.6
 United States	611.6	577.1	34.6	+6.0	15.0	-	+3.4
 Germany	339.4	322.4	17.0	+5.3	-	4.8	+3.8
 Lux / Netherlands	91.2	96.7	(5.5)	-5.7	-	-	-5.7
 Czech Rep / Slovakia	75.2	74.9	0.3	+0.4	(1.6)	-	+2.6
 Poland	55.2	58.2	(3.0)	-5.2	(1.5)	-	-2.6
 Ukraine	51.7	52.9	(1.2)	-2.3	3.1	-	-8.1
 Russia	92.9	100.6	(7.7)	-7.7	(3.7)	-	-4.0
<i>Eliminations</i>	<i>(17.9)</i>	<i>(17.5)</i>	<i>(0.4)</i>				
Total	1,520.1	1,518.7	1.4	+0.1	11.3	11.7	-1.4
 Mexico (100%)	266.8	303.7	(36.9)	-12.2	(27.0)	-	-3.3
 Brazil (100%)	61.2	65.5	(4.2)	-6.5	(15.1)	-	+16.5

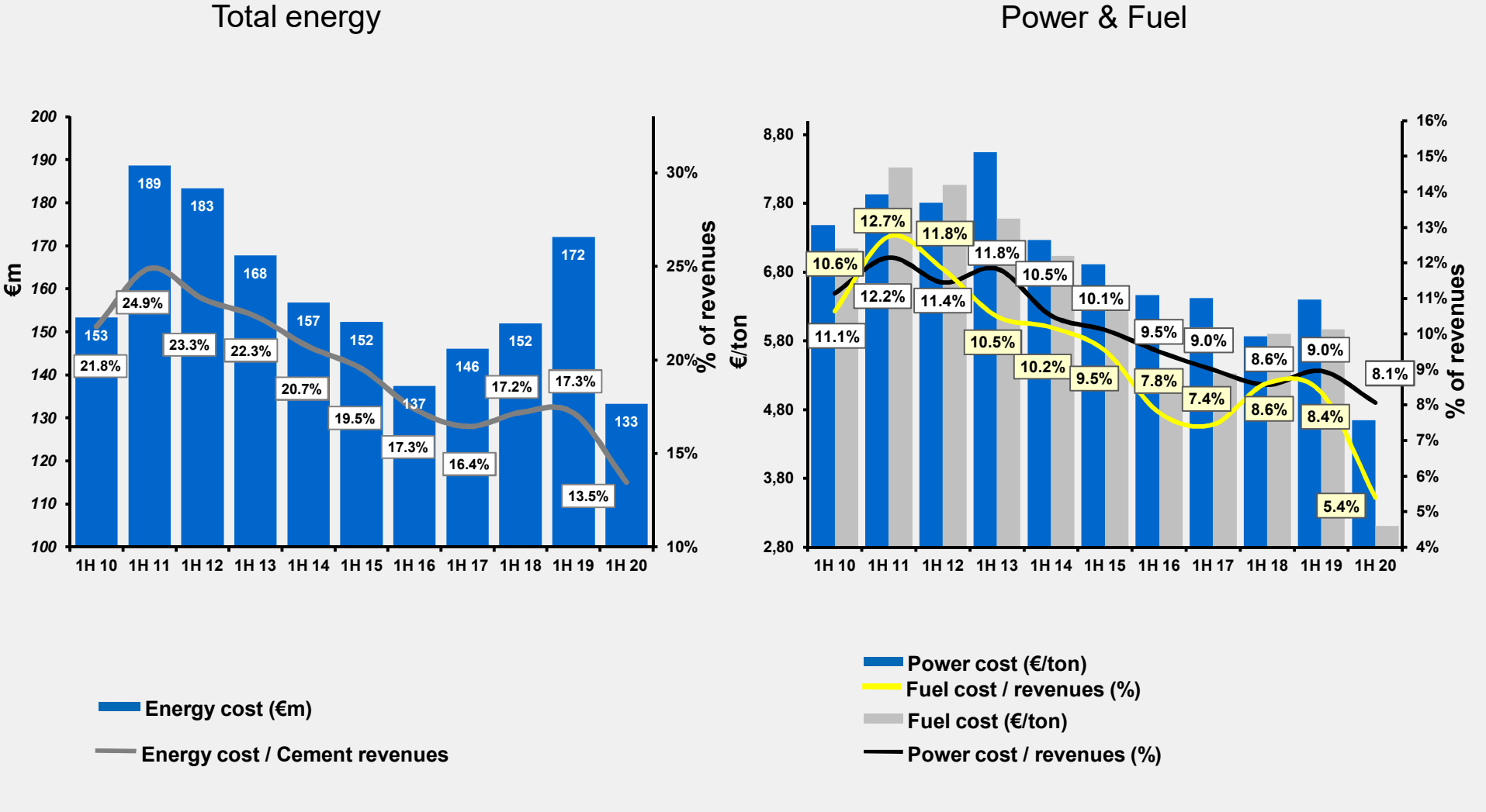
EBITDA by country

	H1 20	H1 19	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	8.8	32.1	(23.4)	-72.7	-	(2.1)	-66.2
 United States	180.1	143.0	37.0	+25.9	4.4	-	+22.8
 Germany	51.8	42.1	9.7	+23.1	-	0.4	+22.1
 Lux / Netherlands	6.4	9.0	(2.6)	-28.9	-	-	-28.9
 Czech Rep / Slovakia	19.7	17.7	2.0	+11.7	(0.5)	-	+14.4
 Poland	15.4	12.5	2.9	+23.4	(0.4)	-	+26.9
 Ukraine	6.7	7.1	(0.4)	-5.4	0.4	-	-11.0
 Russia	24.8	24.6	0.2	+1.0	(1.0)	-	+5.0
<i>Adjustments</i>	0.2	0.5					
Total Recurring	313.9	288.6	25.3	+8.8	2.9	(1.7)	+8.3
 Mexico (100%)	126.4	132.6	(6.2)	-4.7	(6.4)	-	+4.9
 Brazil (100%)	16.5	7.5	9.1	>100	(4.1)	-	>100

EBITDA variance analysis



Energy costs impact



Consolidated Income Statement

	H1 20	H1 19	Δ	Δ
EURm			abs	%
Net Sales	1,520.1	1,518.7	1.4	+0.1
EBITDA	313.9	288.6	25.3	+8.8
of which, non recurring	-	-		
% of sales (recurring)	20.7%	19.0%		
Depreciation and amortization	(128.4)	(123.0)	(5.5)	
Operating Profit (EBIT)	185.5	165.6	0.4	+2.8
% of sales	12.2%	10.9%		
Equity earnings	148.9	34.2	114.7	
Net finance costs	(55.0)	(29.0)	(26.0)	
Profit before tax	279.4	170.8	108.6	+63.6
Income tax expense	(62.7)	(36.1)	(26.6)	
Net profit	216.7	134.7	82.0	+60.9
Minorities	(0.2)	(0.1)	(0.1)	
Consolidated net profit	216.5	134.6	81.9	+60.8

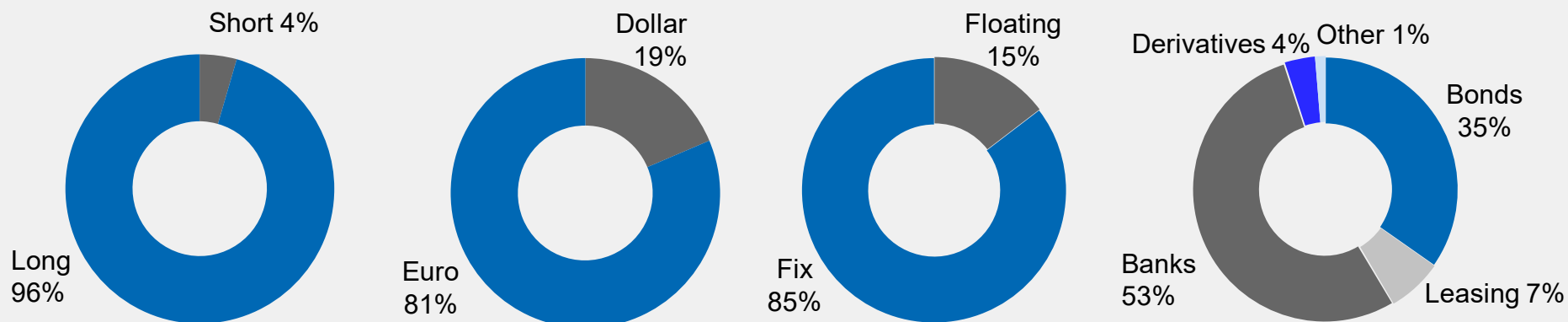
Consolidated Cash Flow Statement

EURm	H1 20	H1 19
Cash generated from operations	256.2	195.2
% of sales	16.9%	13.0%
Interest paid	(18.3)	(19.3)
Income tax paid	(23.5)	(27.5)
Net cash by operating activities	214.4	148.4
% of sales	14.1%	9.8%
Capital expenditures	(107.6)	(126.3)
IFRS 16 leasing	-	(93.7)
Equity investments	(0.7)	(0.5)
Purchase of treasury shares	(7.3)	-
Repayment of convertible bond + option	-	114.8
Dividends paid	(31.9)	(26.8)
Dividends from associates	171.0	49.1
Disposal of fixed assets and investments	10.4	5.7
Translation differences and derivatives	(71.2)	(0.9)
Accrued interest payable	3.3	4.5
Interest received	6.4	0.8
Change in consolidation area and other	(4.1)	(3.6)
Change in net debt	182.7	71.5
Net financial position (end of period)	(385.1)	(819.0)

Net Financial Position

EURm	Jun 20	Dec 19	Δ abs	Jun 19
Cash and other financial assets	1,045.0	840.9	204.1	639.2
Short-term debt	(40.7)	(72.2)	31.5	(389.7)
Short-term leasing	(22.5)	(22.5)	-	(21.4)
Net short-term cash	981.8	746.1	235.7	228.1
Long-term financial assets	2.4	2.9	(0.5)	3.3
Long-term debt	(1,294.2)	(1,242.1)	(52.1)	(978.4)
Long-term leasing	(75.1)	(74.7)	(0.4)	(72.1)
Net debt	(385.1)	(567.8)	182.7	(819.0)

Gross debt breakdown (1,432.4 €m)



Guidance 2020: Recurring EBITDA expected to decrease between 5% and 10% versus 2019 results



Italy

- In the second half, a foreseeable moderate recover in demand will only partially offset the loss in volumes suffered during the lockdown period
- Operating results expected to be higher than previous year, net of the sale of CO₂ emission rights



USA

- Demand expected to contract in the second half due to the concerns and growing uncertainties following the critical epidemiological picture
- Operating results in local currency expected to close somewhat down in comparison with previous year



Central Europe

- Expected some marginal slowdown in demand in the second half
- Operating results should remain in line with previous year



Eastern Europe

- In the second half, demand is not expected to rebound due to the continuing criticality of the epidemiological picture and the related greater uncertainties regarding the timing of the economic recovery
- Operating results expected to worsen in comparison with previous year

Appendix

Buzzi Unicem at a Glance

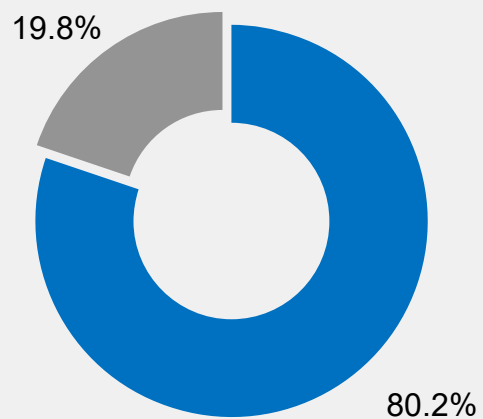
- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
 - Italy (# 2 cement producer), United States (# 4 cement producer), Germany (# 2 cement producer), material joint venture assets in Mexico and Brazil
 - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Slovenia and Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

“Value creation through lasting, experienced know-how and operating efficiency”

Shares & Shareholders | Dividend

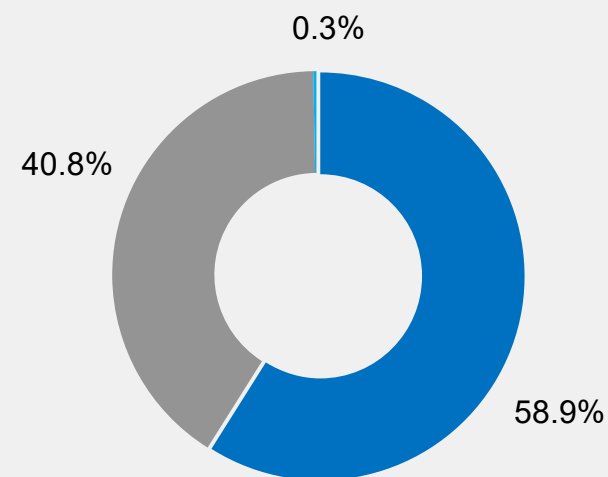
Share Capital

• Ordinary	165,349,149
• Savings	40,711,949
Number of shares	206,061,098



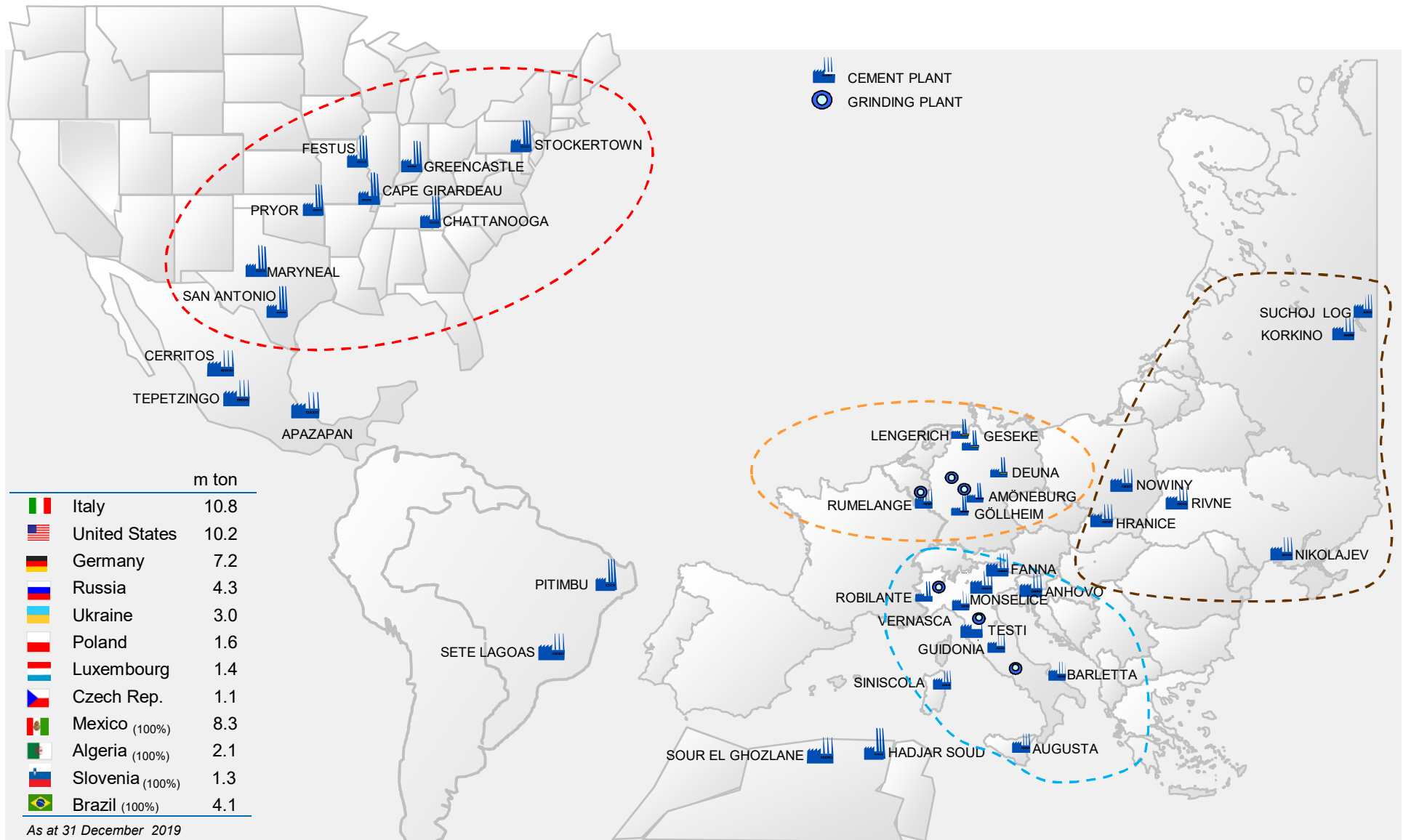
Ordinary Shares

• Buzzi holdings	97,461,300
• Free float	67,486,691
• Treasury shares	401,158



As at 30 August 2020

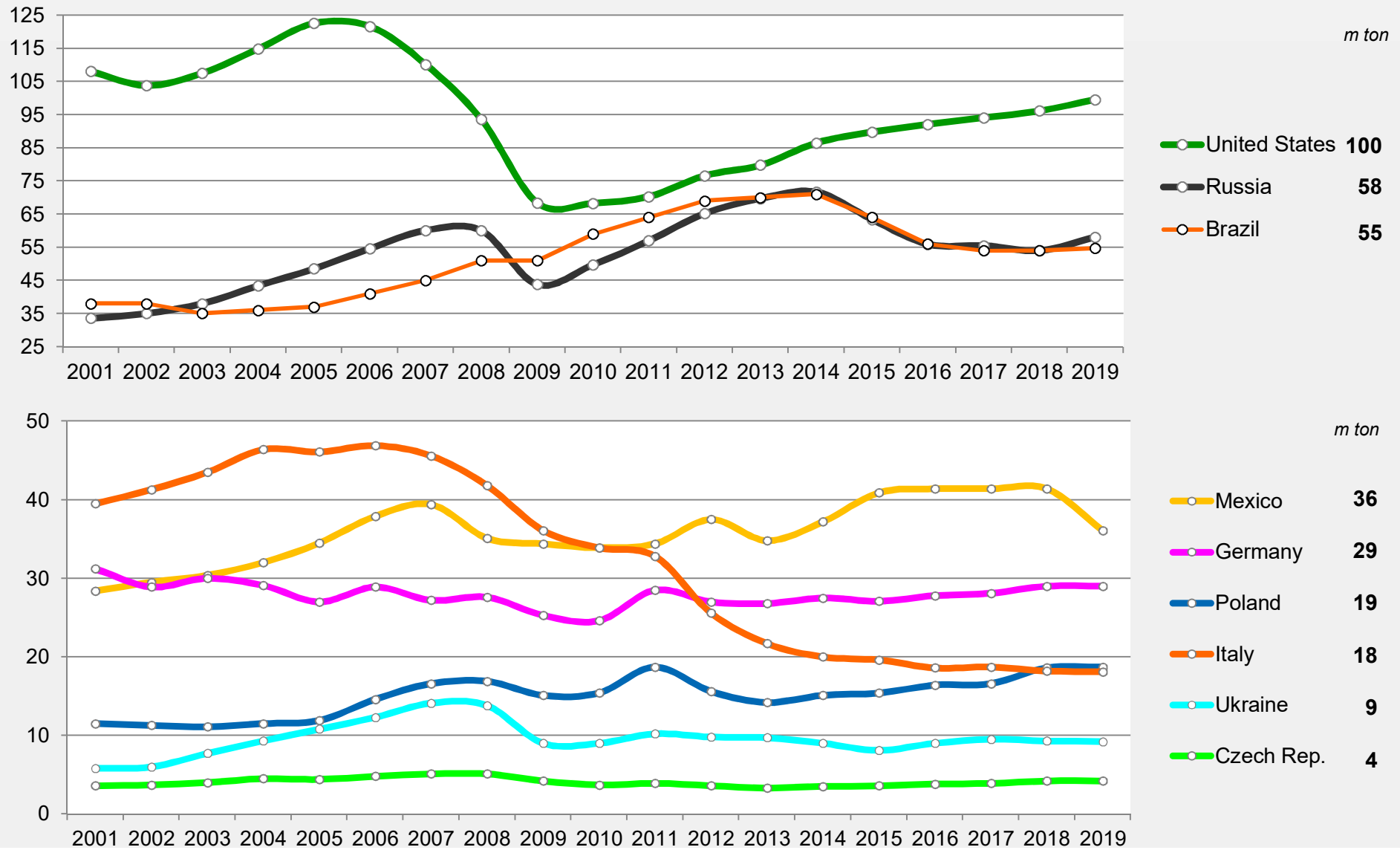
Cement plants location and capacity



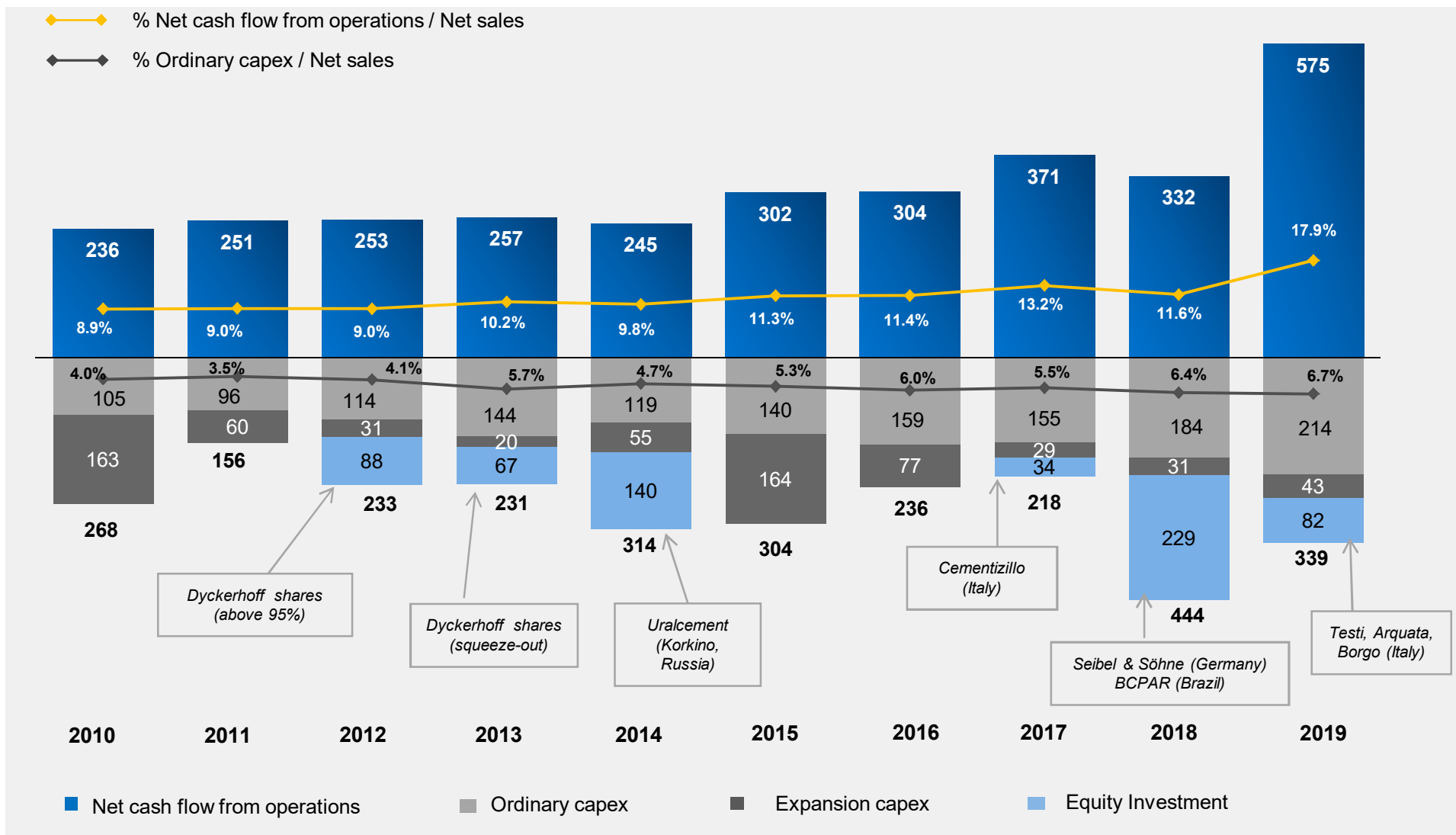
2019 Consumption vs. Peak



Historical series of cement consumption by country

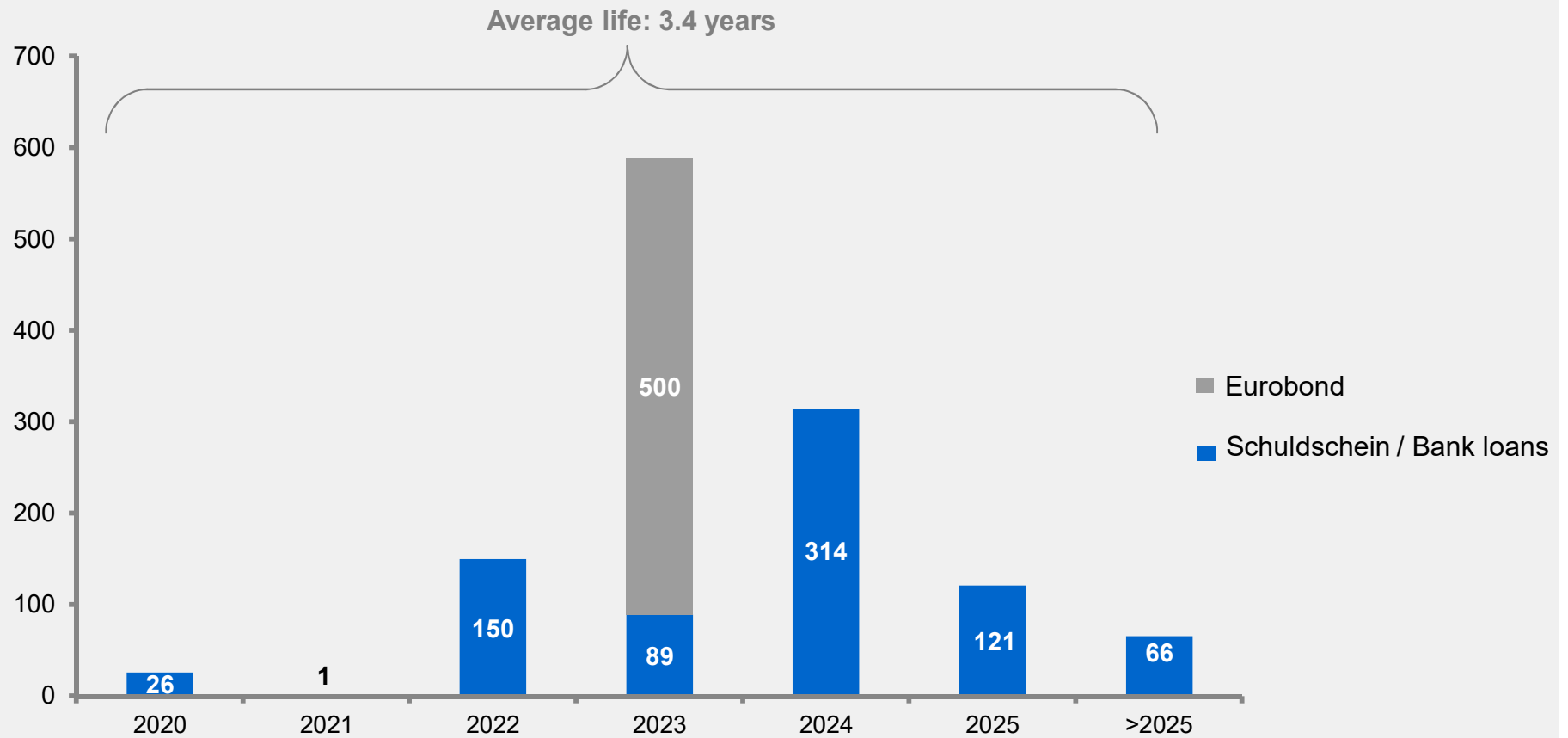


Net Cash Flow from Operations and Capex | €m












Debt Maturity Profile

- Total nominal value of debt and borrowings (except €m 98 leasing), stood at €m 1,267 at June 2020
- As at June 2020 available €m 322m of undrawn committed facilities (€m 300 for Buzzi Unicem, €m22 for Dyckerhoff)



Historical EBITDA development by country

		2011	2012	2013	2014	2015	2016	2017	2018	2019	
	Italy	<i>EBITDA</i>	10,3	-5,9	-18,1	-18,7	-37,2	-22,2	-79,7	-1,7	43,4
		<i>margin</i>	1,8%	-1,2%	-4,2%	-4,8%	-9,8%	-5,9%	-18,6%	-0,4%	8,6%
	Germany	<i>EBITDA</i>	90,3	72,2	108,1	88,6	72,1	76,8	78,1	82,5	102,3
		<i>margin</i>	14,2%	12,0%	18,0%	14,7%	12,6%	13,4%	13,3%	13,0%	15,1%
	Lux/ Netherlands	<i>EBITDA</i>	35,0	8,3	11,5	15,9	19,7	25,8	17,6	23,1	22,7
		<i>margin</i>	15,7%	4,3%	6,3%	9,7%	11,7%	14,7%	9,4%	11,7%	11,8%
	Czech Rep/ Slovakia	<i>EBITDA</i>	35,2	25,4	19,2	27,0	32,6	34,4	36,5	43,6	46,3
		<i>margin</i>	20,5%	17,0%	14,6%	20,2%	24,0%	25,2%	24,7%	26,5%	27,5%
	Poland	<i>EBITDA</i>	36,9	21,8	27,1	18,2	22,7	23,4	24,1	31,9	32,1
		<i>margin</i>	26,6%	20,0%	26,8%	20,4%	20,4%	24,6%	24,9%	28,6%	25,9%
	Ukraine	<i>EBITDA</i>	6,9	15,8	12,3	11,0	4,0	12,8	16,0	7,0	21,0
		<i>margin</i>	6,2%	11,8%	10,0%	12,5%	5,7%	16,1%	16,9%	8,0%	15,9%
	Russia	<i>EBITDA</i>	65,7	96,1	92,6	73,4	48,4	43,2	46,0	50,1	57,7
		<i>margin</i>	37,4%	41,0%	37,2%	35,0%	29,0%	28,0%	24,9%	27,0%	26,9%
	USA	<i>EBITDA</i>	71,4	123,9	151,0	207,3	311,7	356,5	369,6	341,2	402,7
		<i>margin</i>	12,8%	18,2%	20,7%	24,2%	28,1%	31,9%	33,0%	31,9%	32,4%
	Mexico	<i>EBITDA</i>	82,6	97,5	77,5	<i>Adoption of IFRS 11</i>					
		<i>margin</i>	34,7%	36,2%	33,2%						
	Group	<i>EBITDA</i>	434,3	455,1	481,2	422,7	473,2	550,6	508,2	577,2	728,1
		<i>margin</i>	15,6%	16,2%	17,5%	16,9%	17,8%	20,6%	18,1%	20,1%	22,6%

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