

PRESS RELEASE

Interim results at June 30, 2019

- **Cement and clinker sales on the rise versus the first six months of 2018 (+7.1%). Volumes well progressing in Eastern and Central Europe, also thanks to scope changes. Slight recovery in Italy and lively activity level in the United States, despite the considerable production and logistical difficulties of June caused by the exceptional flood of the Mississippi river**
- **Better-than-expected interim results, driven by a particularly brilliant winter quarter and the favorable variance of both prices and exchange rates**
- **Net sales at €1,519 million (2018: €1,337 million) and Ebitda at €289 million, of which €12 million referring to the first-time application of IFRS 16. Positive exchange rate effect of €38 million on revenues and €9 million on Ebitda, thanks to the strengthening of the dollar**
- **Recurring Ebitda for the full year 2019 expected to improve by approximately 10% on the previous period**

Consolidated data		Jan-Jun 19	Jan-Jun 18	% 19/18
Cement sales	m ton	13.9	12.9	+7.1
Ready-mix sales	m m3	5.8	5.9	-0.5
Net sales	€m	1,518.7	1,337.4	+13.6
Ebitda	€m	288.6	227.4	+26.9
Net profit	€m	134.7	123.4	+9.1
Consolidated net profit	€m	134.6	123.0	+9.4
		Jun 19	Dec 18	Change
Net debt	€m	819.0	890.5	(71.5)

The Board of Directors of Buzzi Unicem SpA has met today to examine the interim financial report as at 30 June 2019.

The dynamics of international growth continued to attenuate, although during the first quarter some of the major advanced economies achieved better-than-expected results. International

trade suffered further contractions: both the trade restrictions which have been adopted since last year and the consequent deterioration of investments and of the climate of business confidence weighed on the trading trend. Growth prospects appear to be weaker, and the risks connected with a further worsening of commercial tensions, a possible slowdown in growth in China as well as the uncertainties about the timing and methods of the Brexit continue to weigh on them.

In the United States, economic expansion remained more vigorous than expected, although mainly determined by the decline in imports, the accumulation of stocks and other temporary factors, in a context of weak domestic demand. The orientation of the Federal Reserve became more accommodating and the possibility of future rate reductions was reported.

In Europe, economic activity remained weak and more subject to downside risks. After a slight acceleration at the beginning of the year, thanks to the boost of domestic demand and the scarce contribution of foreign trade, the economic indicators foreshadow a slowdown due to the effects of commercial tensions on foreign demand, which affected particularly the manufacturing sector in Germany and Italy. The ECB Governing Council prolonged the monetary expansion and announced further accommodating measures that will have to be adopted in the absence of improvements in the macroeconomic framework.

Among the emerging countries, we point out a deceleration in economic activity in China and a slowdown in growth in Brazil and Russia.

Crude oil prices, after the recovery in the first months of the year, declined in spring, reflecting an increase in production, particularly in the United States, as well as the weakness of the international economy.

Consumer inflation remains moderate in the main advanced economies. The expectations of price increase became less significant both in the United States and in Europe.

Net sales revenues for the first half-year were up 13.6% to €1,518.7 million compared to €1,337.4 million in 2018, while Ebitda increased by 26.9%, from €227.4 to €288.6 million. The price effect in local currency showed a favorable variance in all the countries where the group is present, while the volume effect was favorable everywhere except for a moderate decline in Luxembourg and one, even more marginal, in the Czech Republic. The currency trend had a net favorable impact of €37.7 million on sales and of €9.0 million on Ebitda. Net of exchange rate movements, of the scope of consolidation and of the adoption of IFRS 16 (new accounting standard on leasing), net sales would have increased by 10.2%, and recurring Ebitda by 23.2% (to €266.7 million). After amortization and depreciation of €123.0 million (€104.0 million in the previous year), Ebit amounted to €165.6 million (+€42.2 million on 2018). The income statement for the half-yearly period closed with a net profit of €134.7 million, compared to €123.4 million in the same period of 2018.

Operating and financial results

Cement sales of the group in the first six months of 2019 recorded an increase of 7.1% compared to the same period in 2018, achieving 13.9 million tons. Changes were favorable in

all the markets where we operate, except for a moderate decline in Luxembourg and marginally in the Czech Republic. Ready-mix concrete output was in line with the previous year and equal to 5.8 million cubic meters (-0.5%). In this sector some progress was recorded in the United States of America and a slight growth in Benelux and Germany. Volumes in Italy were moderately reduced, while production was down in the Czech Republic, Poland and Ukraine.

The consolidated Ebitda came in at €288.6 million, versus €227.4 million in 2018 (+26.9%). The figure for the first half includes a non-recurring benefit of €12.3 million due to the first-time adoption of IFRS 16 (net non-recurring income of 11.0 million in the same period of 2018). Net of that amount Ebitda for the first half of 2019 would have increased by €59.9 million (+27.7% to €276.3 million). Exchange rates variances had a favorable net impact essentially due to the strengthening of the dollar. Like for like the recurring Ebitda for the first half of 2019 would have increased by 23.2%. The recurring Ebitda to sales margin in the first six months was up by 200 basis points, with favorable changes in all the markets, except for the United States and the Czech Republic.

After amortization and depreciation of €123.0 million (€104.0 million in the first half of 2018), Ebit amounted to €165.6 million (€123.5 million in June 2018). Profit before tax stood at €170.8 million (€159.3 million in 2018), considering a contribution of €33.9 million from equity earnings (€40.0 million in 2018), gains on sale of investments of €0.3 million (€0.1 million in 2018) and net financial costs of €29.0 million (€4.4 million in 2018), the variance of which was affected by the valuation of derivative financial instruments. After income taxes of €36.1 million (€35.8 million in 2018) the income statement closed with a net profit of €134.7 million, versus €123.4 million in the first six months of 2018. Net profit attributable to the owners of the company increased from €123.0 million in 2018 to €134.6 million during the period under review.

Net debt as at 30 June 2019, on which the adoption of the new IFRS 16 standard impacted upwards for €93.5 million, stood at €819.0 million, down €71.5 million from €890.5 million at 31 December 2018. In the six months under review the group distributed dividends of €26.6 million and completed total capital expenditures of €126.8 million. Investments in property, plant and equipment referring to expansion or special projects totaled €27.9 million, almost entirely related to the purchase and transport of the machinery and equipment for the revamping of the Korkino plant (Russia) and to the second phase of the modernization and upgrade project of the Maryneal plant (Texas). The liability side of net debt includes the fair value of the cash settlement option attached to the outstanding convertible bond for €13.7 million (€10.3 million at year-end 2018).

Italy

Our sales of hydraulic binders and clinker closed the first six months up on the same period of the previous year (+3.9%), with sales prices clearly strengthening. The ready-mix concrete sector confirmed its output, also with prices recovering. Net sales of the Italian operations amounted to €253.4 million, up 11.2% (€227.9 million in 2018). Ebitda for the first six months closed in positive territory at €32.1 million (compared to -€8.9 million in 2018). It should also be noted that the 2019 result includes lower non-recurring costs of €1.6 million referring to the adoption of IFRS 16 (compared to net non-recurring costs of €6.1 million in 2018). Net of non-

recurring items Ebitda showed a positive variance of €33.4 million. Unit production costs recorded an unfavorable trend, mainly due to inflation related to electricity and fuels, although partially offset by an effective control of fixed costs. Moreover it is important to highlight that during the period the company achieved other operating revenues of €15.0 million deriving from the sale within the group of CO₂ emission rights.

As part of the process of rationalizing and consolidating the production structure as well as of strengthening the market position, following the preliminary contract signed on April 5 with HeidelbergCement, on July 1 we executed the purchase of a full-cycle cement plant in Tuscany, two grinding plants in Piedmont and three concrete batching plants in the same regions. The capital invested for this transaction was about €80.0 million. Thanks to the synergies deriving from economies of scale and from commercial and logistics coordination, a positive impact on profitability is expected within some months.

Central Europe

In **Germany**, after a start to the year characterized by a favorable climate and additional deliveries related to the Seibel & Söhne production plant in Erwitte, the pace of shipments resumed a more regular momentum, also favored by some strengthening of the demand for oil well special products. In the first half of the year our cement business recorded an increase in sales of 11.2% compared to the same period of the previous year, with average prices marginally strengthening. The ready-mix concrete sector showed a slight increase in production compared to the same period of 2018, with prices recovering. Overall net sales came in at €322.4 million (€287.2 million in 2018), up 12.3%, while Ebitda stood at €42.1 million compared to €24.9 million (+69.0%). It should be remembered, however, that the 2019 figure includes lower net non-recurring costs of €1.7 million referring to the adoption of IFRS 16 (compared to non-recurring costs of €5.0 million in 2018). Net of non-recurring items and changes in scope, Ebitda showed a positive change of €10.4 million (+31.3%). The unit production costs posted a slightly favorable change, thanks to the stabilization of energy factors, in particular as regards fuels, and lower fixed costs. Moreover during this period the business incurred other operating costs of €8.2 million for the purchase of CO₂ emission rights from the parent company.

In **Luxembourg** and the **Netherlands**, our cement deliveries, inclusive of exports, closed the first half-year down (-4.6%), with average unit revenues slightly progressing compared to the previous year. The production volumes of the ready-mix concrete sector slightly strengthened (+2.6%), with prices also improving. Net sales stood at €96.7 million, basically in line with the previous year (€96.5 million). Ebitda increased by €1.0 million, from €8.0 million achieved in 2018 to €9.0 million in the period under review. Electric power cost showed an unfavorable change, which was offset by improving fixed production costs. It should be noted that during the period other operating costs were incurred equal to €1.1 million for the purchase of CO₂ emission rights from the parent company.

Eastern Europe

In the **Czech Republic** and **Slovakia**, cement sales of the first six months of the year recorded a slight decrease (-1.5%), although with average prices in local currency recovering well. The ready-mix concrete sector, which also includes Slovakia, showed weaker production levels

(-12.1%) but with prices increasing. Overall net sales, marginally penalized by the negative exchange rate effect, stood at €74.9 million compared to €75.7 million in 2018 (-1.1%), while Ebitda decreased by €1.6 million, from €19.3 million in 2018 to €17.7 million in the period under review (-8.5%). At constant exchange rates, net sales and Ebitda would have decreased by 0.5% and 7.8% respectively. The unit production costs in local currency showed a double-digit percentage increase, mainly due to the unfavorable trend of electric power. It should be noted that in the period other operating costs of €1.6 million were incurred for the purchase of CO₂ emission rights from the parent company.

In **Poland**, cement volumes sold by our plant, clearly expanding during the first quarter thanks to favorable weather conditions, subsequently resumed a more regular pace, closing the semester with an improvement compared to the volumes achieved in the same period of the previous year (+6.3%), and with an average level of prices in local currency clearly trending upward. On the other hand ready-mix concrete output decreased (-8.9%), however associated with a recovery in prices in local currency. Due to these market dynamics net sales came in at €58.2 million, compared to €50.1 million in 2018 (+16.3%) and Ebitda decreased from €15.4 to €12.5 million. It should be remembered however that the result of 2018 included non-recurring income of €5.4 million and that the slight weakening of the zloty (-1.7%) led to a negative exchange rate effect. On a like-for-like basis, net sales would have increased by 18.2% and recurring Ebitda by 27.4%. The electric power cost posted an unfavorable change, which was offset by improving fixed production costs. It should be noted that in the period other operating costs of €4.1 million were incurred for the purchase of CO₂ emission rights from the parent company.

In **Ukraine**, in the first six months, the cement volumes sold by our plants clearly improved (+26.4%), with average prices in local currency still sustained upwards by inflation. Overall net sales amounted to €52.9 million (€35.5 million in 2018), up 48.9%, while Ebitda stood at €7.1 million (€1.6 million in the first half 2018). The strengthening of the local currency (+6.0%) had a favorable impact on the translation of the results into euros: net of non-recurring effects and at constant exchange rates, net sales would have been up 40.0%, while Ebitda would have shown a positive variance equal to €4.9 million. The electric power cost posted an unfavorable change, which was offset by some savings in the main fixed costs.

In **Russia**, sales in the first half confirmed a clear improvement (+15.0%) compared to the volumes achieved in the previous year, thanks to the expansion of the distribution network and the recovery in the category of oil well cements, with rising average unit prices in local currency. Net sales amounted to €100.6 million, up 21.8% compared to €82.6 million in the same period of 2018. Ebitda increased from €19.6 to €24.6 million, up €5.0 million. The weakening of the ruble (-2.5%) negatively impacted on the translation of the results into euros. Net of the exchange rate effect, net sales and Ebitda would have been up 24.8% and 28.3% respectively. Among the main operating costs in local currency, a clearly unfavorable variance was recorded for electric power and a less visible one for fuels.

United States of America

Our cement sales, after the strong improvement during the first quarter, which stabilized during the spring months, suffered considerable hindrances in distribution, in addition to non-scheduled production shutdowns, during the month of June, due to severe floods in the areas along the Mississippi river, which particularly penalized the plants of Festus and Cape Girardeau, in Missouri. Despite the difficulties experienced, thanks to the previously accumulated advantage, to the good trend in demand in the South-East and South-West regions and to the recovery of oil well cements, the volumes sold by the end of June exceeded the level reached in the previous year (+3.4%), with average prices in local currency being characterized by a slight favorable change. Ready-mix concrete production, mainly located in Texas, which at the beginning of the year had benefited from the “pent-up demand” associated with construction sites blocked by bad weather in autumn, confirmed a good recovery also in spring, closing the half-year visibly up (+13.5%) over the same period of the previous year and with selling prices slightly improving. Net sales amounted to \$652.0 million, up 8.0% from \$603.5 million in the same period of 2018. Ebitda stood at \$161.6 million (-6.6% from the previous \$173.1 million). Net sales in euros, positively influenced by the strengthening of the dollar, increased from €498.6 to €577.1 million (+15.7%) while Ebitda came in at €143.0 million, equal to the result achieved in the same period of the previous year. It should also be noted that the 2019 result includes lower non-recurring costs of €7.7 million referring to the adoption of IFRS 16 (compared to non-recurring income of €16.7 million in 2018). Net of foreign exchange and non-recurring items, net sales variance was equal to +8.0% while Ebitda would have been identical to the one achieved in the first half of the previous year. The increase in cement production costs was in line with the inflation rate, also thanks to the favorable trend in energy factors.

Mexico (valued by the equity method)

The sales trend of the joint venture continues to be penalized by the uncertainties over the economic policy decisions that the new executive intends to make. Cement deliveries weakened (-8.6%) and average prices in local currency showed some decline. Ready-mix concrete output was rather weak, although the price change, in local currency, was favorable. Net sales and Ebitda, in local currency, recorded a decrease of 9.6% and 18.8% respectively. The strengthening of the Mexican peso (+6.2%) favored the translation of the results into euros. With reference to 100% of the associate, net sales amounted to €303.7 million (-3.7%) and Ebitda decreased from €153.2 to €132.6 million (-13.5%). The equity earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €28.1 million (€34.3 million in 2018).

Brazil (valued by the equity method)

The favorable development of cement sales achieved by the new joint venture was facilitated by the comparison with the first half of the previous year, which was characterized by a long period of truck drivers' strike. Shipments posted a growth of 6.2%, particularly thanks to the development in the North-East region, however, unfortunately, such recovery was associated with an unfavorable variance of the average selling price in local currency. Net sales amounted to €65.5 million and Ebitda closed at €7.5 million. The equity earnings referring to Brazil, which

are included in the line item that encompasses the investments valued by the equity method, amount to -€2.0 million (not applicable in 2018).

Outlook

The operating trend of the first six months of 2019, for the group as a whole, was characterized by very mild weather conditions during the winter quarter and by a favorable development of exchange rates, which led to better-than-expected operating results.

For Italy, in the second half of the year, we estimate the volume effect to attenuate and the price effect to be confirmed. Considering that 2018 had been penalized by credit losses higher than the average, the year should confirm a considerable improvement of operating results.

In Central Europe, where the favorable effect due to the change in scope will be less relevant, we expect in the second quarter that the moderate expansion in demand will continue, and subsequently that the positive operating trend achieved so far will be confirmed.

In Poland and the Czech Republic, partially differing from the first half of the year, we expect the volumes to stabilize, due to full capacity utilization. The favorable price trend should allow to absorb the higher cost for power and CO₂ emission rights, and to achieve slightly improving operating results.

In Ukraine, albeit the social and political environment is still fragile and uncertain, we foresee still robust volumes and selling prices, which should translate into a positive progression of the operating results compared to the disappointing 2018.

Also in Russia we expect a solid second half, in the wake of the results at the end of June. Assuming that the ruble exchange rate remains at current values, we expect to slightly round up the improvement in operating results in euros.

In the United States of America we believe that the activity level of the construction industry remains high and that the easy comparison basis in the third quarter may allow our sales to compensate, at least partially, the severe logistics and economical inconveniences resulting from the exceptional flood of the Mississippi river. We expect operating results in local currency in line with 2018, while Ebitda to sales margin will still be penalized by the drastic reduction of inventory occurred during the first six months.

Based on the above considerations, for the entire 2019, we expect that the improvement of recurring Ebitda will be higher than the one assumed in the statements already disclosed to the market, i.e. that such indicator may post a favorable variance of about 10% compared to the previous year.

Senior Notes and Bonds

In the period from 1 January to 30 June 2019 no new bonds were issued.

In the 18 months subsequent to 30 June 2019 no principal repayments of bonds shall be effected, without prejudice to the following statements.

Referring to the bond issuance "Buzzi Unicem S.p.A. €220,000,000 1.375% Equity-Linked Bonds due 2019", it should be noted that between 4 April 2019 and 10 July 2019 (deadline for submission of the requests) we received conversion notices for the entire nominal amount of €220,000,000, equal to a total of no. 13,762,011 ordinary shares.

Following the conversion requests:

- firstly all the no. 7,050,000 ordinary treasury shares held by the company have been delivered;
- then, for the remaining no. 6,712,011 ordinary shares for which the conversion was requested, the company chose to pay the Cash Alternative Amount.

The corresponding cash consideration will be calculated on the basis of the average of the weighted average price of the ordinary shares during 20 consecutive stock exchange days (Calculation Period) following the date on which the bondholders were informed about the choice to pay the Cash Alternative Amount. The calculation period is still in progress and the payment of the respective amount will take place between 16 and 23 August 2019. No new ordinary shares will be issued to service the conversions and, therefore, the share capital will remain unchanged.

As a result of the total conversion of the bond, no repayment was made on the natural maturity of the bond on 17 July 2019.

The manager responsible for preparing the company's financial reports, Silvio Picca, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Casale Monferrato, August 2, 2019

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Buzzi Unicem H1 2019 results will be illustrated during a **conference call** to be held today, Friday August 2, at 04:30 pm CEST.
To join the conference, please dial +39 02 805 8811.

BUZZI UNICEM SPA

CONSOLIDATED INCOME STATEMENT

(in thousands of euro)

	1H 2019	1H 2018
Net sales	1,518,723	1,337,380
Changes in inventories of finished goods and work in progress	(15,383)	(4,634)
Other operating income	22,034	52,285
Raw materials, supplies and consumables	(580,082)	(525,416)
Services	(368,597)	(348,090)
Staff costs	(252,680)	(241,942)
Other operating expenses	(35,417)	(42,155)
EBITDA	288,598	227,428
Depreciation, amortization and impairment charges	(122,950)	(103,959)
Operating profit (EBIT)	165,648	123,469
Equity in earnings of associates and joint ventures	33,856	40,029
Gains on disposal of investments	302	146
Finance revenues	23,645	43,156
Finance costs	(52,674)	(47,539)
Profit before tax	170,777	159,261
Income tax expense	(36,085)	(35,850)
Profit for the period	134,692	123,411
Attributable to		
Owners of the company	134,615	123,040
Non-controlling interests	77	371

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Profit for the period	134,692	123,411
Items that will not be reclassified to profit or loss		
Actuarial gains (loss) on post-employment benefits	(31,579)	12,127
Changes in the fair value of financial assets	179	3,318
Income tax relating to items that will not be reclassified	9,029	(3,403)
Total items that will not be reclassified to profit or loss	(22,371)	12,042
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	61,380	41,967
Share of currency translation differences of associates and joint ventures valued by the equity method	6,016	3,228
Total items that may be reclassified subsequently to profit or loss	67,396	45,195
Other comprehensive income for the period, net of tax	45,025	57,237
Total comprehensive income for the period	179,717	180,648
Attributable to		
Owners of the company	179,301	177,615
Non-controlling interests	416	3,033

CONSOLIDATED BALANCE SHEET

	30.06.2019	31.12.2018
ASSETS		
Non-current assets		
Goodwill	580,859	575,537
Other intangible assets	42,516	38,609
Right-of-use assets	92,999	-
Property, plant and equipment	3,091,206	3,059,276
Investment property	20,266	20,280
Investments in associates and joint ventures	506,477	515,897
Investments at fair value	8,942	8,804
Deferred income tax assets	45,517	34,340
Other non-current assets	22,872	25,063
	4,411,654	4,277,806
Current assets		
Inventories	443,463	457,592
Trade receivables	501,360	399,396
Other receivables	90,386	92,355
Available-for-sale financial assets	-	-
Cash and cash equivalents	634,282	440,499
	1,669,491	1,389,842
Assets held for sale	4,505	4,499
Total Assets	6,085,650	5,674,147

EQUITY

Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	61,895	5,260
Retained earnings	2,758,697	2,669,357
Treasury shares	(12,738)	(119,465)
	3,390,187	3,137,485
Non-controlling interests	5,920	6,120
Total Equity	3,396,107	3,143,605

LIABILITIES

Non-current liabilities		
Long-term debt	971,041	920,674
Lease liabilities	72,054	1,720
Employee benefits	422,296	391,563
Provisions for liabilities and charges	70,272	69,281
Deferred income tax liabilities	336,189	335,928
Other non-current liabilities	11,865	40,515
	1,883,717	1,759,681
Current liabilities		
Current portion of long-term debt	221,955	327,840
Short-term debt	108,867	14,381
Current portion of lease liabilities	21,404	193
Derivative financial instruments	13,712	10,340
Trade payables	240,092	234,985
Income tax payables	20,268	8,844
Provisions for liabilities and charges	21,768	30,957
Other payables	157,760	143,321
	805,826	770,861
Total Liabilities	2,689,543	2,530,542
Total Equity and Liabilities	6,085,650	5,674,147

CONSOLIDATED STATEMENT OF CASH FLOWS

	1H 2019	1H 2018
Cash flows from operating activities		
Cash generated from operations	195,249	96,011
Interest paid	(19,312)	(15,092)
Income tax paid	(27,502)	(27,713)
Net cash generated from operating activities	148,435	53,206
Cash flows from investing activities		
Purchase of intangible assets	(2,026)	(1,501)
Purchase of property, plant and equipment	(124,233)	(106,328)
Acquisition of subsidiaries, net of cash acquired	-	(43,729)
Purchase of other equity investments	(300)	-
Proceeds from sale of property, plant and equipment	5,276	26,132
Proceeds from sale of equity investments	471	146
Changes in available-for-sale financial assets	5,659	4,700
Changes in financial receivables	325	4,462
Dividends received from associates	49,050	51,867
Interest received	771	6,356
Net cash used in investing activities	(65,007)	(57,895)
Cash flows from financing activities		
Proceeds from long-term debt	49,850	-
Repayments of long-term debt	(9,392)	(10,967)
Net change in short-term debt	-	(179)
Repayments of lease liabilities	(10,467)	-
Changes in other financial payables	4,928	(3,885)
Changes in ownership interests without loss of control	(219)	(10,746)
Dividends paid to owners of the company	(26,559)	(28,153)
Dividends paid to non-controlling interests	(256)	(146)
Net cash used in financing activities	107,871	(54,058)
Increase (decrease) in cash and cash equivalents	191,299	(58,747)
Cash and cash equivalents at beginning of period	440,499	810,630
Translation differences	2,484	10,328
Change in scope of consolidation	-	1
Cash and cash equivalents at end of period	634,282	762,212

The interim report for the six months ended 30 June 2019 has been endorsed by the Board of Directors and is being revised by the independent auditors.

Alternative performance measures

Buzzi Unicem uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports. Pursuant to Consob Communication n. 92543 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.
- **EBITDA recurring:** it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):
 - restructuring costs, in relation to defined and significant plans
 - write downs/ups of current assets, except trade receivables, greater than €1 million
 - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
 - dismantling costs greater than €1 million
 - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
 - other sizeable non-recurring income or expense greater than €3 million, that is attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring, for the two comparative periods, is as follows:

	1° H 2019	1° H 2018
(millions of euro)		
Ebitda	288.6	227.4
Restructuring costs	-	2.4
Additions to provisions for risks	-	0.5
Gains on disposal of fixed assets	-	(16.7)
Other expenses	-	2.8
IFRS 16 adoption	(12.3)	-
EBITDA recurring	276.3	216.4

- **Operating profit (EBIT);** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.
- **Net debt:** it's a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.