

# Bit Market Services

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Oggetto : exam preliminary consolidated results for  
2016

*Testo del comunicato*

Vedi allegato.

## PRESS RELEASE

**Cementir Holding: The Board of Directors has examined the preliminary consolidated results for 2016, which include the change in the scope of consolidation relating to the acquisition of Sacci and Compagnie des Ciments Belges**

- **Revenues: EUR 1,027.6 million (EUR 969.0 million at 31 December 2015), up 6.0% (stable on like-for-like basis)**
- **EBITDA: EUR 197.8 million (EUR 194.0 million at 31 December 2015). Like-for-like EBITDA was EUR 177.0 million.**
- **Net financial debt at EUR 562.4 million (EUR 222.1 million at 31 December 2015), due to outlays for the acquisitions of Sacci and Compagnie des Ciments Belges (totalling about EUR 435 million)**
- **Forecasts for 2017**

**Rome, 13 February 2017** – The Board of Directors of Cementir Holding SpA, chaired by Francesco Caltagirone Jr., has examined the preliminary consolidated results at 31 December 2016. The complete, definitive results for 2016 are currently being reviewed by the audit firm and will be examined and approved by the Board of Directors at its meeting scheduled for 3 March.

### Financial highlights

(millions of euros)	Year 2016	Year 2015	Change %	Like-for-like basis	
				Year 2016	Change %
Revenue from sales and services	1,027.6	969.0	+6.0%	967.1	-0.2%
Total operating revenue	1,067.8	995.4	+7.3%	985.9	-0.9%
EBITDA	197.8	194.0	+2.0%	177.0	-8.8%
<i>EBITDA/Revenue from sales and services %</i>	19.3%	20.0%		18.3%	

### Net financial debt

(millions of euros)	31-12-2016	30-09-2016	30-06-2016	31-12-2015
Net financial debt	562.4	350.6	262.9	222.1

## Sales volumes

('000)	Year 2016	Year 2015	Change %	Like-for-like basis	
				Year 2016	Change %
Grey and white cement (metric tons)	10,110	9,368	+7.9%	9,494	+1.3%
Ready-mixed concrete (m <sup>3</sup> )	4,420	3,749	+17.9%	4,261	+13.7%
Aggregates (metric tons)	4,462	3,813	+17.0%	3,598	-5.6%

## Group employees

	31-12-2016	31-12-2015	Like-for-like basis 31-12-2016
Number of employees	3,667	3,032	2,907

*“Strong performance in the Scandinavian countries and Malaysia have substantially offset lower earnings in Turkey, Egypt and Italy. Also, Group results have been negatively affected by the depreciation of the Turkish lira and, since the Brexit vote, the British pound, together with the fall in the value of the Egyptian pound and geopolitical events in Turkey and Egypt.*

*The cash flow generated by operations and control of working capital allowed us to end the year with net financial debt of EUR 562.4 million, which was better than forecast,”* commented Francesco Caltagirone Jr., Chairman and Chief Executive Officer.

## Performance in 2016

Group **revenue from sales and services** was EUR 1,027.6 million, up compared to EUR 969 million in 2015 due to the change in the scope of consolidation, which contributed an additional EUR 60.5 million. Specifically, the revenues of Cementir Sacci, included in the scope of consolidation as of 29 July 2016, amounted to EUR 21.8 million, while the revenues of the Compagnie des Ciments Belges group, included as of 26 October 2016, amounted to EUR 38.7 million.

On a like-for-like basis, revenues were essentially stable on 2015, despite exchange-rate movements. The strong performance of operations in Scandinavian countries, with an increase in sales volumes of both cement and ready-mixed concrete, and in Malaysia (above all in export markets) offset the decrease in Italy, where cement sales volumes fell, and the fall in revenues expressed in euros in Egypt, Turkey and China, where revenues in local currency actually increased.

At constant exchange rates, revenues would have totalled EUR 1,074.4 million, an increase of 10.9% compared to the previous year.

Sales volumes of cement and clinker, equal to 10.1 million tons, increased by 7.9% (like-for-like growth of 1.3%, driven mainly by Denmark and China) while sales volumes of ready-mixed concrete, equal to 4.4 million m<sup>3</sup>, grew 17.9% (13.7% on like-for-like basis, driven by Turkey and the Scandinavian countries).

**EBITDA** totalled EUR 197.8 million, up on EUR 194.0 million in 2015. The acquisitions had an impact of EUR 20.8 million on EBITDA: the operations of the Belgian group CCB contributed EUR 8.6 million, Cementir Sacci posted negative EBITDA of EUR 3.0 million, and EUR 15.1 million are non-recurring income.

It is also noted that the 2015 figure was positively affected by non-recurring items worth EUR 15 million. At constant exchange rates, EBITDA would have been EUR 207.7 million, up by EUR 13.7 million on 2015.

**Net financial debt** at 31 December 2016 was EUR 562.4 million, up EUR 340.4 million compared to 31 December 2015. The increase in debt is entirely attributable to outlays for the acquisitions in the period equal to about EUR 435 million, plus capital expenditure of about EUR 68.7 million (EUR 61.3 million in 2015). Excluding the effects of these acquisitions, Group financial debt would have been about EUR 162 million, beating the target for the year.

#### **Forecasts for 2017**

In 2017 the Group will be working on consolidating and integrating its newly acquired staff and assets and organisations, as well as developing its core business.

The Group expects to record EBITDA of around EUR 215 million. This figure incorporates the contribution of the CCB group and Cementir Sacci, as well as higher like-for-like earnings.

These forecasts are based on conservative assumptions, especially as regards Turkey, where the geopolitical situation remains highly unstable, with possible repercussions also for the Turkish lira. In view of all the average exchange rates for the year 2016, the effect on the Group of the assumptions on exchange rates for 2017 can be quantified at a reduction in EBITDA of about EUR 15 million.

The Group expects to see higher sales volumes of cement (especially in Egypt, Scandinavia and Italy), ready-mixed concrete (in particular in Turkey, Scandinavia and Italy) and aggregates, driven mainly by the acquisition in Belgium, which has increased the Group's exposure to the aggregates segment. The Group also expects to achieve efficiencies on sales and fixed costs driven by the integration of the Italian companies (Cementir Italia and Cementir Sacci). These upsides are however mitigated by the higher costs of solid fuels and the negative effect of some exchange rates (especially the Turkish lira and the Egyptian pound).

Capital expenditure is forecast at approximately EUR 92 million, mainly allocated to maintenance activities and including the newly acquired companies.

Cash generation is expected to leave us with net financial debt of around EUR 530 million at the end of 2017.

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### **Alternative performance indicators**

In addition to conventional financial indicators under IFRS, the Cementir Holding Group also uses a number of alternative performance indicators to allow a better assessment of earnings and financial performance. In line with Consob Communication 92543/2015 and the ESMA Guidelines (ESMA/2015/1415), the meaning and content of the indicators used in this press release are provided below.

- **EBITDA:** an indicator of operating performance calculated by adding together “EBIT” and “Amortisation, depreciation, impairment losses and provisions”;
- **Net financial debt:** an indicator of financial structure calculated according to Consob Communication No. 6064293/2006. The indicator is therefore the sum of the following entries:
  - o Current financial assets
  - o Cash and cash equivalents
  - o Current and non-current liabilities

\* \* \*

The preliminary consolidated results for the financial year 2016 will be presented to the financial community in a conference call to be held on Monday 13 February at 5.30 pm (CET). The telephone numbers to call are:

Italy: +39 02 805 88 11

USA: +1 718 7058794

UK: + 44 1 212 81 8003

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*Massimo Sala, as the manager responsible for preparing the Company's financial reports, certifies, pursuant to Article 154-bis (2) of the Consolidated Law on Financial Intermediation, that the accounting information contained in this press release corresponds with that contained in company documents, books and accounting records.*

**Disclaimer**

*This press release contains forward-looking statements. These statements are based on current expectations and projections of the Group regarding future events and, by their very nature, are exposed to inherent risks and uncertainties. These statements relate to events and depend on circumstances that may or may not occur or exist in the future. Accordingly, readers should not to place undue reliance on them. Actual results may differ materially from those stated due to multiple factors, including: the volatility and deterioration of capital and financial markets, changes in commodity prices, changes in macroeconomic conditions and economic growth and other changes in business conditions, changes in atmospheric conditions, floods, earthquakes or other natural disasters, changes in the regulatory and institutional framework (both in Italy and abroad), production difficulties, including constraints on the use of plants and supplies and many other risks and uncertainties, most of which are outside the Group's control.*

**CEMENTIR HOLDING** is an Italian multinational company that produces and distributes grey and white cement, ready-mixed concrete, aggregates and concrete products. Cementir Holding is part of the Caltagirone Group and has been listed on the Italian Stock Exchange (Borsa Italiana) since 1955, currently in the STAR segment. Through its subsidiaries Aalborg Portland, Cimentas and Cementir Italia, Cementir Holding operates in 17 countries across 5 continents.

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