

Engineering & Construction Conference

Milan – 6 April 2017

Executive summary FY 2016

▪ Volumes

- Cement down 2.2% in Q4 and flat YTD (+0.3); ready-mix concrete flat YTD
- Italy: poor results in Q4 (cement -8.8%) and YTD (-6.2%), with export materially declining; ready-mix gaining some momentum (+8.2%YTD), supported by business combinations
- United States: volumes down in Q4 (cement -4.9%) and YTD (cement -1.7%); ready mix also suffering due to South East Texas exposure (-9.8% YTD)
- Central Europe: favorable trend confirmed in Q4 (cement +2.3%) and YTD (cement +4.3%); ready mix concrete up in Germany (+1.6%) and stable in Benelux (+0.3%)
- Eastern Europe: positive Q4 (cement +1.8%), particularly in Poland and the Czech Republic; cement up 3.3% in the period, mainly due to Poland (+11.9%), Czech Republic (+4.4%) and Ukraine (+4.0%); almost flat sales in Russia (-1.0%), but Q4 up 2.6%

▪ Prices

- Q4: positive development in Ukraine only
- FY16: sound increase in USA and Ukraine (local currency); unfavorable variance in Poland, to a minor extent also in Central Europe; stable or marginal weakness in other markets

▪ Foreign Exchange

- Negative impact on sales (€m 27.4) and EBITDA (€m 5.8) due to weaker ruble and hryvnia

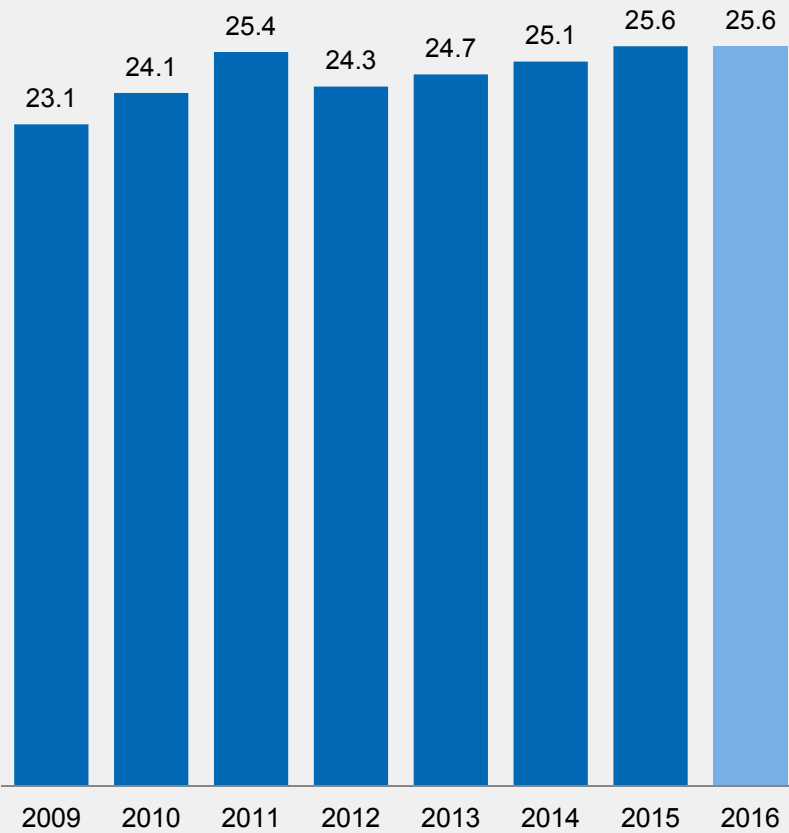
▪ Results

- Net sales at €m 2,669 (€m 2,662 in 2015)
- EBITDA reported at €m 551 (also recurring) versus €m 473 (recurring €m 479), supported by enduring low energy costs

Volumes

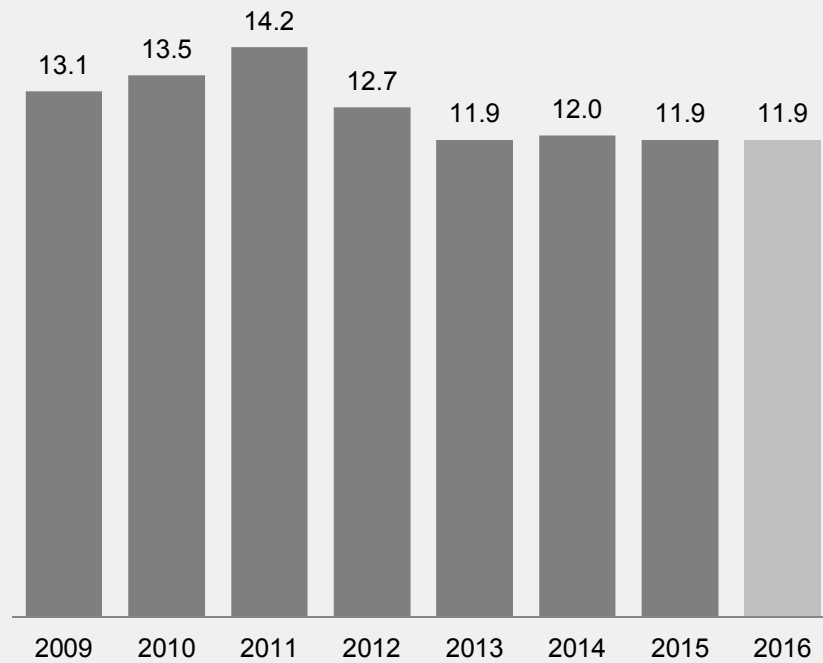
Cement

(m ton)

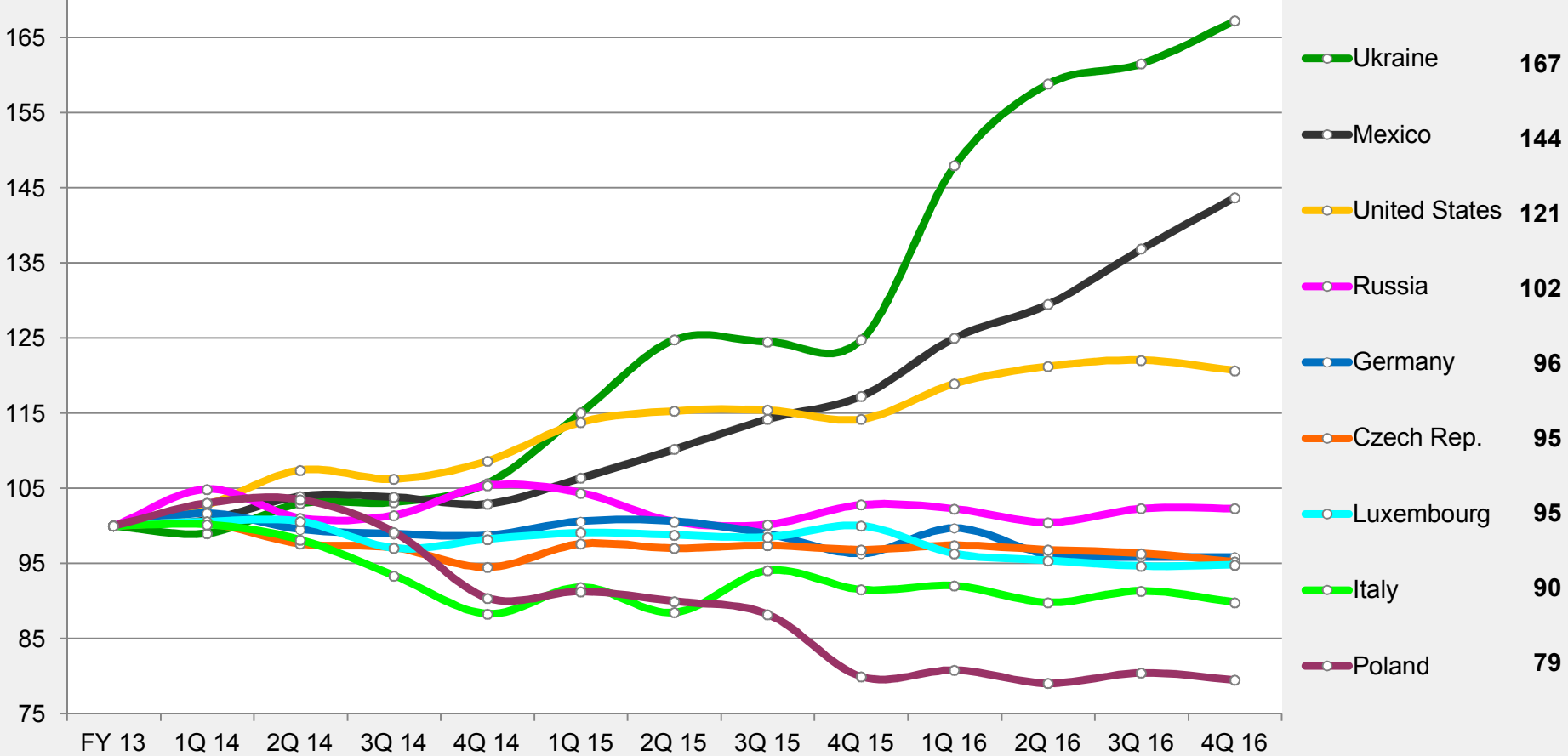


Ready-mix concrete

(m m3)









Price trends by country












In local currency; FY13 = 100










FX changes

		2016	2015	Δ	2014	current
EUR 1 =		avg	avg	%	avg	
	USD	1.11	1.11	+0.2	1.33	1.08
	RUB	74.14	68.07	-8.9	50.95	61.47
	UAH	28.28	24.28	-16.5	15.86	29.38
	CZK	27.03	27.28	+0.9	27.54	27.02
	PLN	4.36	4.18	-4.3	4.18	4.24
	MXN	20.67	17.62	-17.3	17.65	20.47

Net sales by country

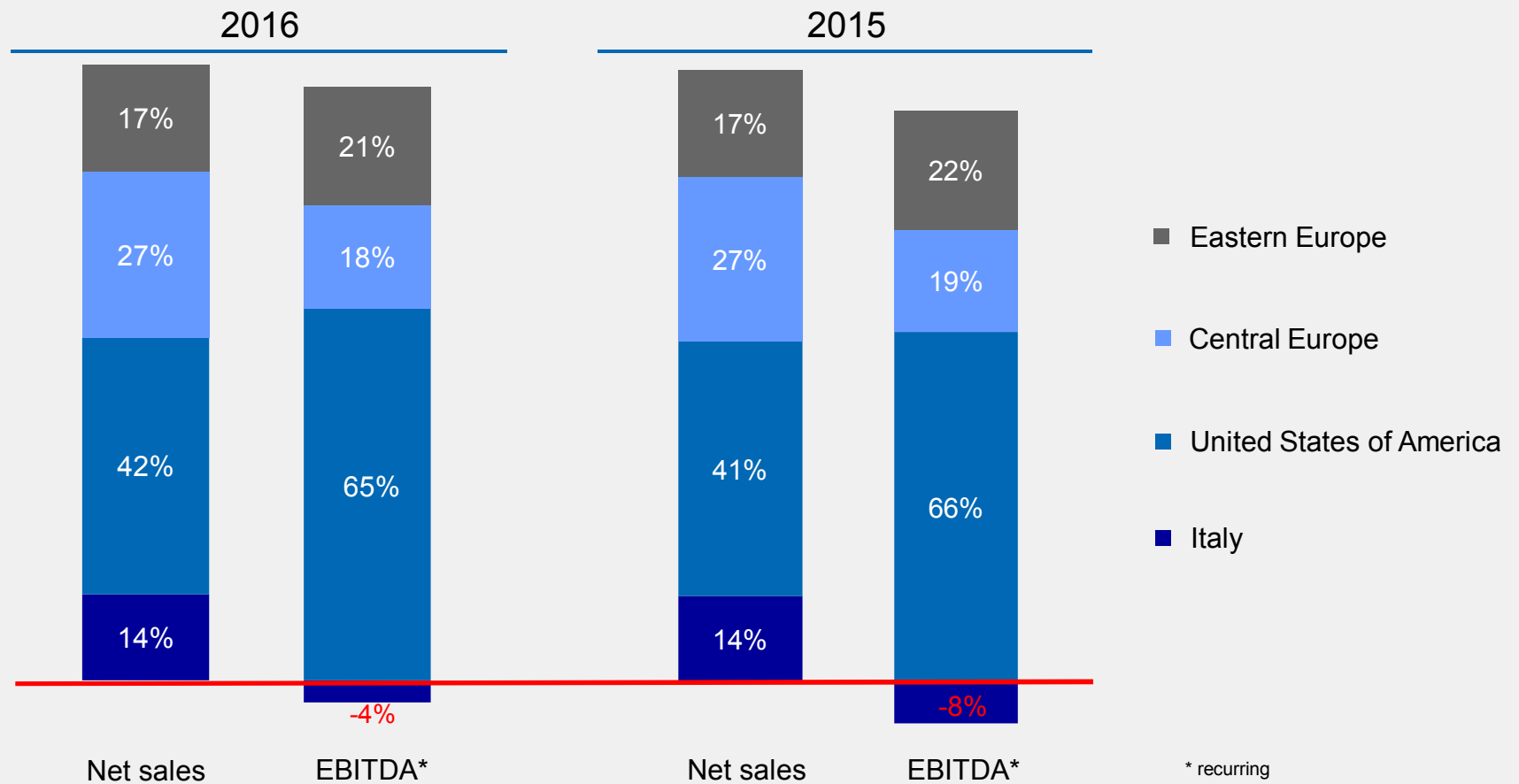
	2016	2015	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	375.2	381.1	(5.9)	-1.6	-	-	-1.6
 United States	1,117.8	1,108.7	9.1	+0.8	2.6	-	+0.6
 Germany	572.4	573.6	(1.3)	-0.2	-	(4.5)	+0.6
 Lux/Netherlands	175.6	169.0	6.6	+3.9	-	-	+3.9
 Czech Rep/Slovakia	136.2	135.6	0.6	+0.4	1.0	(5.5)	+3.9
 Poland	95.0	96.8	(1.8)	-1.8	(4.1)	-	+2.4
 Ukraine	79.8	69.8	10.0	+14.3	(13.2)	-	+33.2
 Russia	154.4	166.7	(12.3)	-7.4	(13.8)	-	+0.9
<i>Eliminations</i>	(37.0)	(39.2)	2.2				
Total	2,669.3	2,662.1	7.2	+0.3	(27.4)	(10.0)	+1.7
 Mexico (100%)	609.0	625.9	(16.9)	-2.7	(105.5)	-	+14.2

EBITDA by country

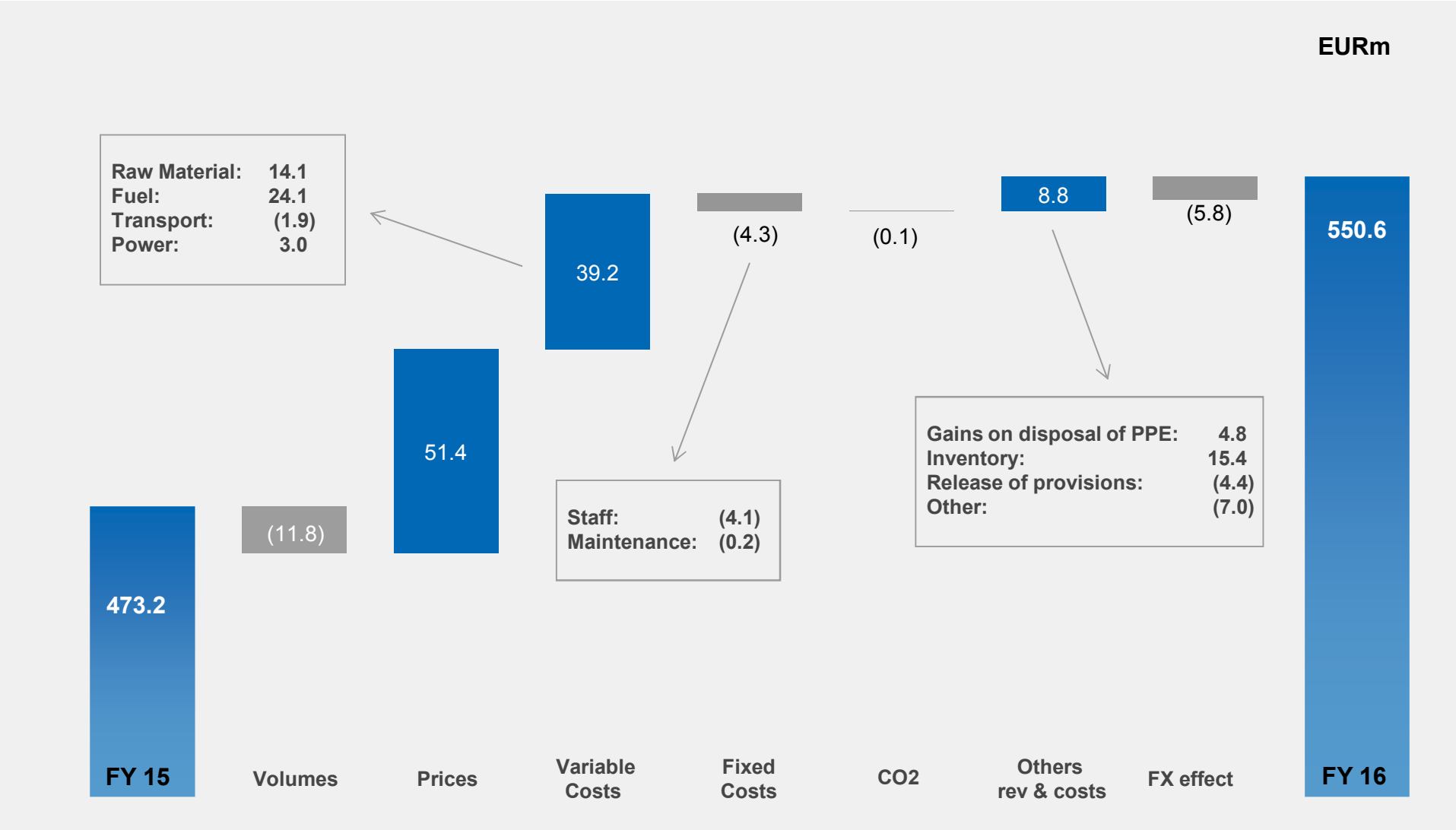
	2016	2015	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	(22.2)	(37.2)	15.0	+40.3	-	-	+40.3
 USA	356.5	311.7	44.7	+14.4	0.8	-	+14.1
 Germany	76.8	72.1	4.7	+6.6	-	0.3	+6.1
 Lux/Netherlands	25.8	19.7	6.1	+31.0	-	-	+31.0
 Czech Rep/Slovakia	34.3	32.6	1.7	+5.2	0.3	(0.2)	+5.1
 Poland	23.4	21.9	1.4	+6.6	(1.0)	-	+11.1
 Ukraine	12.8	4.0	8.8	>100	(2.1)	-	>100
 Russia	43.2	48.4	(5.2)	-10.7	(3.9)	-	-2.7
Total	550.6	473.2	77.4	+16.4	(5.8)	(0.0)	+17.6
recurring	550.7	478.8	71.9	+15.0	(5.8)	(0.0)	+14.0
 Mexico (100%)	293.4	256.1	37.3	+14.6	(50.8)	-	+34.4

Net sales and EBITDA development

- USA still accounts for 2/3 of the consolidated EBITDA
- Decreasing contribution from emerging markets, from 22% to 21% of EBITDA (was 33% in 2014) due to forex and weaker Russian contribution



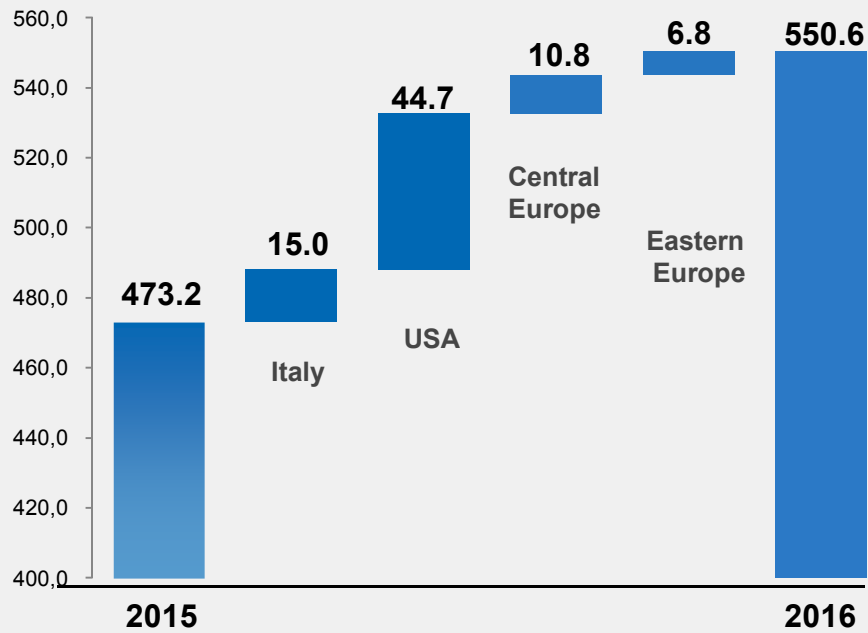
EBITDA variance analysis



EBITDA bridge by region

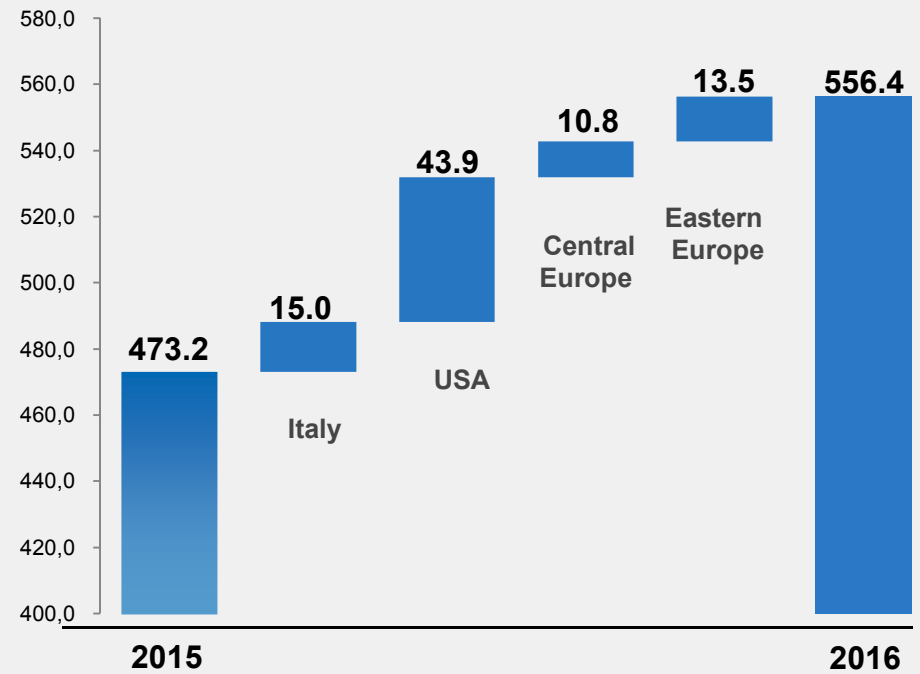
Reported

EURm



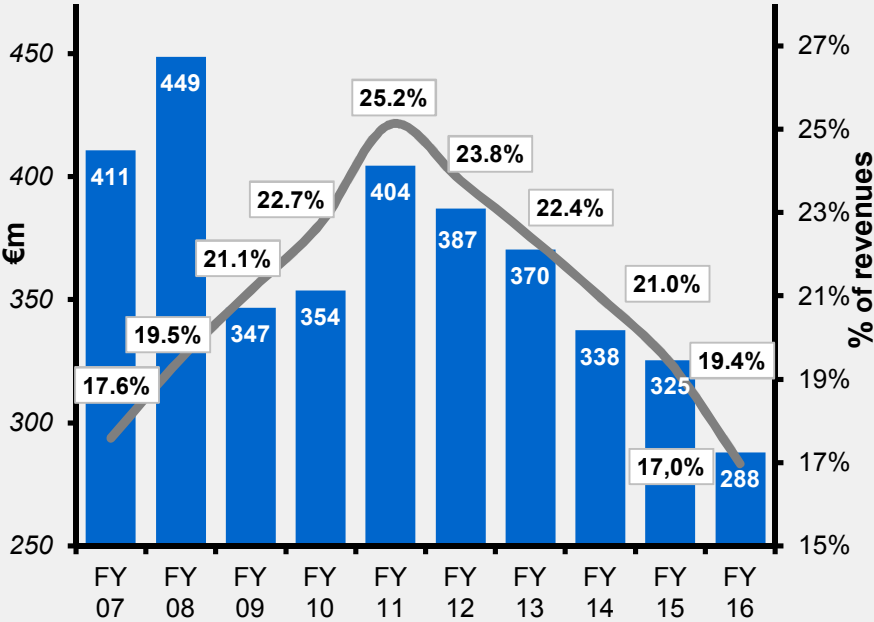
Like for like

EURm



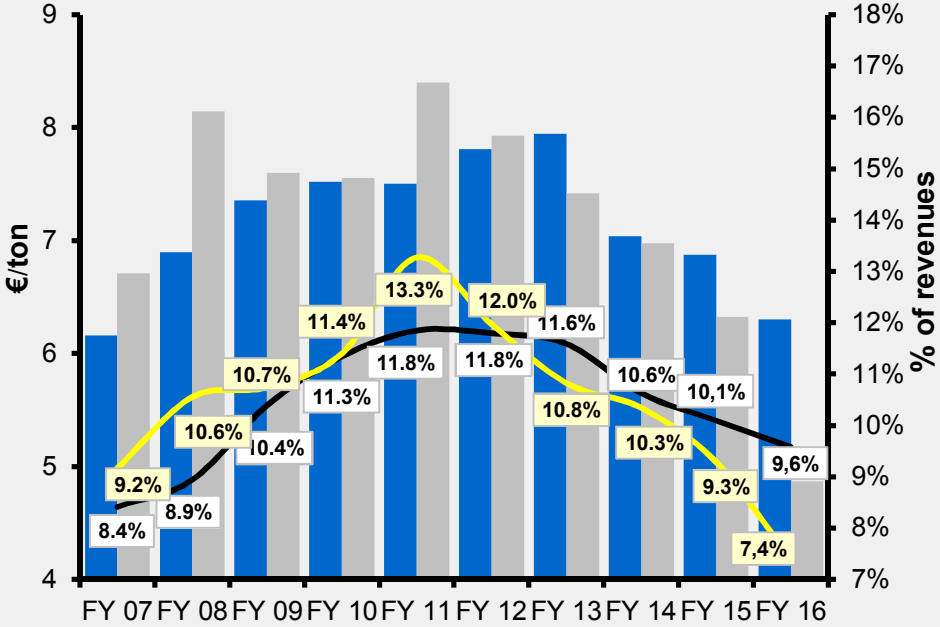
Energy costs impact

Total energy



■ Energy cost (€m)
— Energy cost / Cement revenues

Power & Fuel



■ Power cost (€/ton)
— Fuel cost / revenues (%)
■ Fuel cost (€/ton)
— Power cost / revenues (%)

Consolidated Income Statement

EURm	2016	2015	Δ abs	Δ %
Net Sales	2,669.3	2,662.1	7.2	+0.3
EBITDA	550.6	473.2	77.4	+16.4
of which, non recurring	0.1	5.6		
% of sales (recurring)	20.6%	18.0%		
Depreciation and amortization	(202.6)	(209.2)	6.5	
Operating profit (EBIT)	348.0	264.0	84.0	+31.8
% of sales	13.0%	9.9%		
Equity earnings	80.1	63.2	16.9	
Net finance costs	(147.2)	(105.1)	(42.1)	
Profit before tax	280.9	222.1	58.8	+26.5
Income tax expense	(132.2)	(94.0)	(38.2)	
Net profit	148.7	128.1	20.6	+16.1
Minorities	(2.8)	(2.8)		
Consolidated net profit	145.9	125.3	20.5	+16.4
Cash flow ⁽¹⁾	351.3	337.3	14.0	+4.2

(1) Net Profit + amortization & depreciation

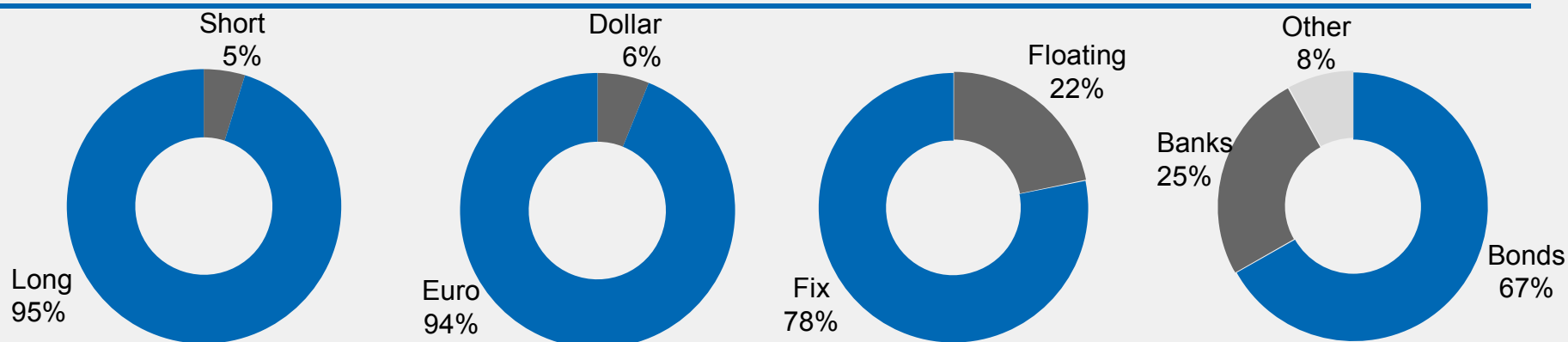
Consolidated Cash Flow Statement

EURm	2016	2015
Cash generated from operations	467.5	444.9
% of sales	17.5%	16.7%
Interest paid	(61.5)	(74.9)
Income tax paid	(101.8)	(68.4)
Net cash by operating activities	304.1	301.6
% of sales	11.4%	11.3%
Capital expenditures	(236.0)	(304.7)
Equity investments	(0.4)	0.5
Dividends paid	(16.3)	(10.7)
Dividends from associates	67.0	39.9
Disposal of fixed assets and investments	21.5	19.3
Translation differences and derivatives	(59.9)	(30.6)
Accrued interest payable	(3.8)	1.7
Interest received	14.6	8.6
Other	(2.7)	7.4
Change in net debt	88.2	33.0
Net financial position (end of period)	(941.6)	(1,029.7)










Net Financial Position

	Dec 16	Dec 15	Δ	Sep 16
EURm			abs	
Cash and other financial assets	609.6	518.4	91.2	879.5
Short-term debt	(75.7)	(542.4)	466.7	(409.9)
Net short-term cash	533.9	(24.0)	557.9	469.7
Long-term financial assets	13.2	16.4	(3.2)	12.1
Long-term debt	(1,488.6)	(1,022.0)	(466.6)	(1,466.2)
Net debt	(941.6)	(1,029.7)	88.1	(984.5)

Gross debt breakdown (€m 1,564.4)



Expected trading in 2017

	Δ Volume	Δ Price
 Italy	=	+
 United States of America	+	+
 Germany	+	+
 Luxembourg	+	+
 Czech Republic	+	=
 Poland	+	+
 Ukraine	+	+
 Russia	=	+
 Mexico	+	+

Note: Prices in local currency

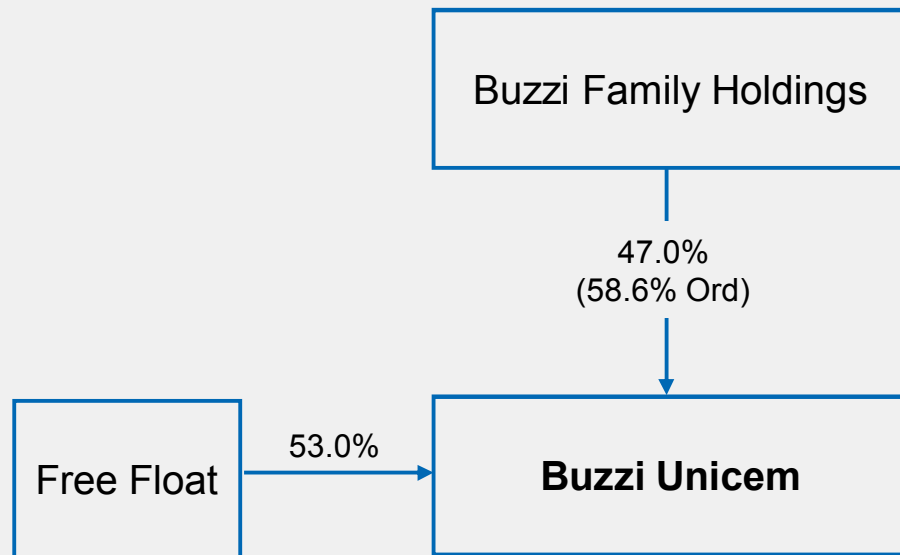
Appendix

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), US (# 4 cement producer), Germany (# 2 cement producer), joint venture in Mexico (# 4 cement producer)
 - 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

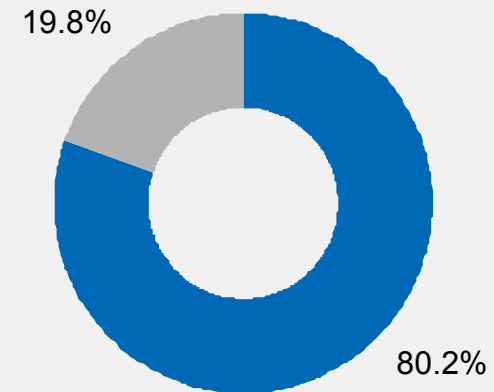
“Value creation through lasting, experienced know-how and operating efficiency”

Ownership structure



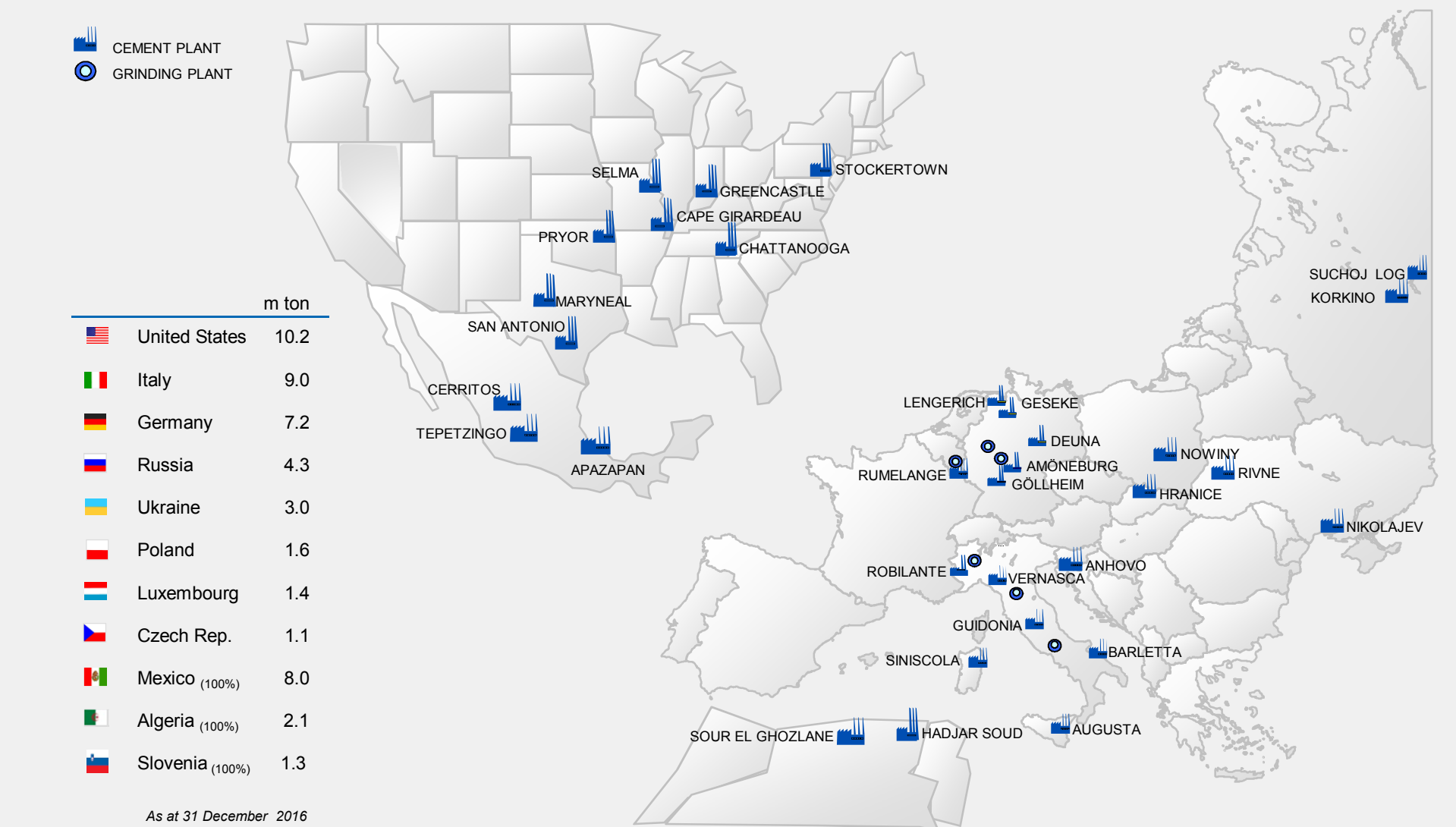
Share capital

■ Ordinary	165,349,149
■ Savings	40,711,949
Total shares	206,061,098

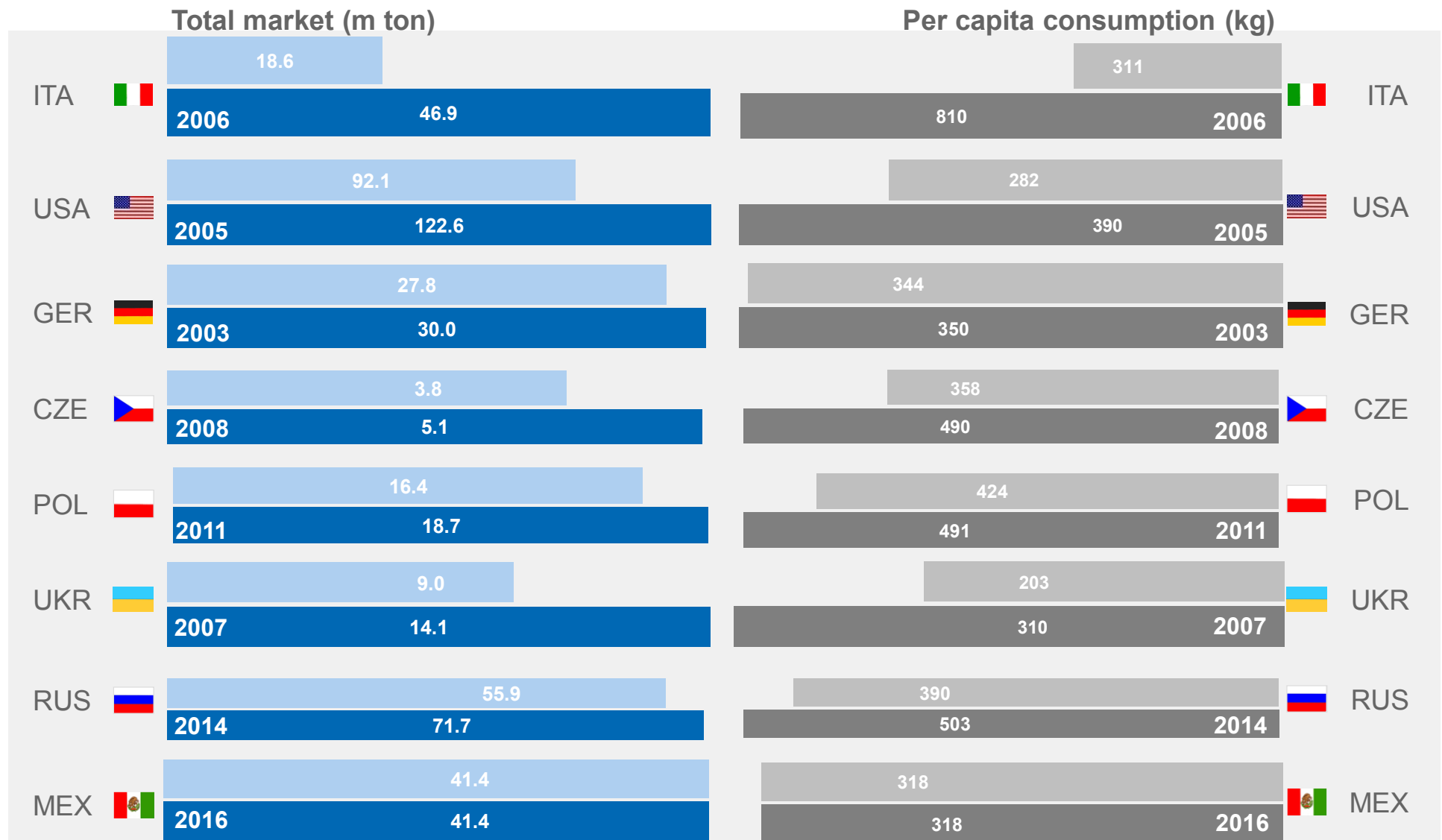


As at 31 December 2016

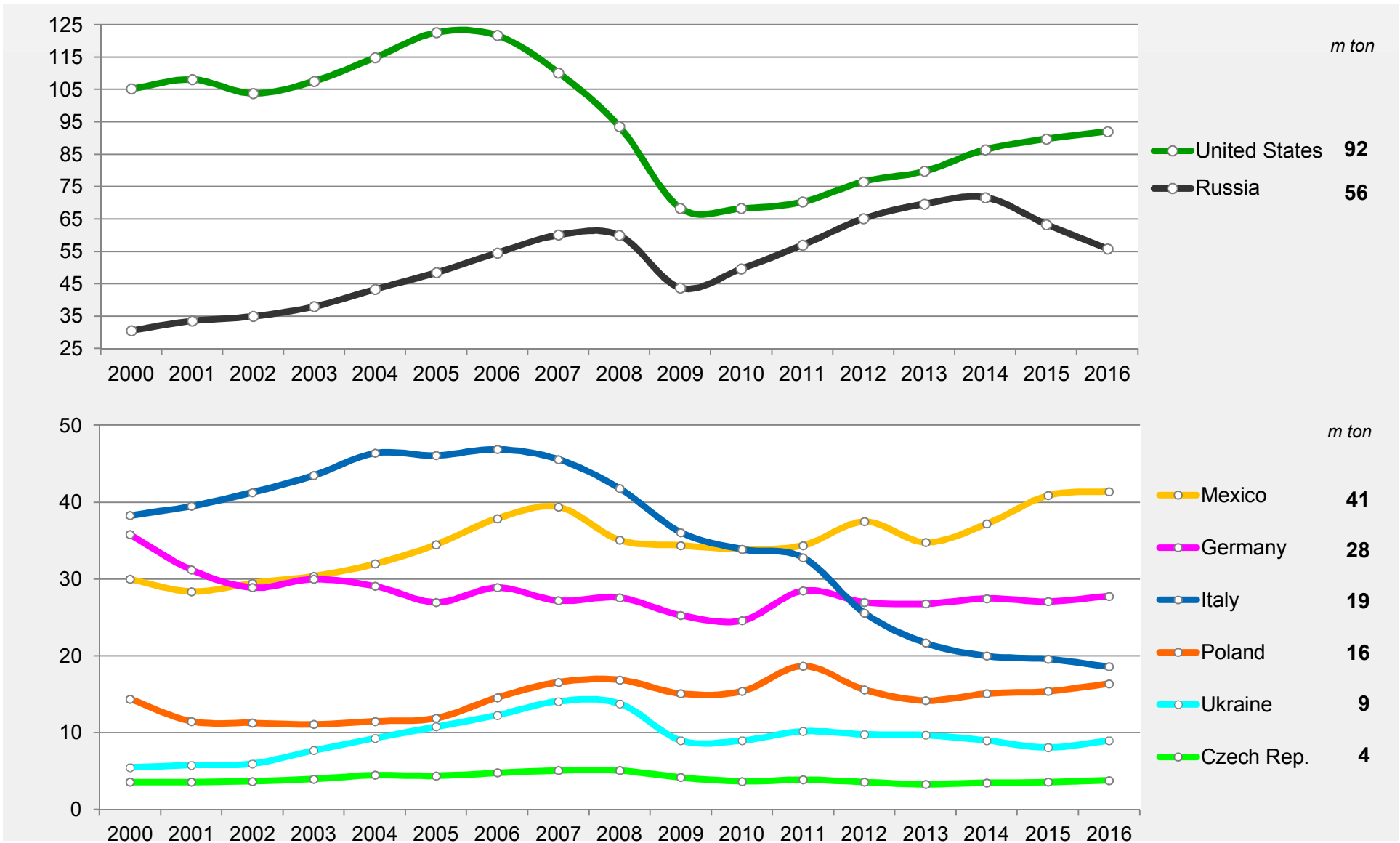
Cement plants location and capacity






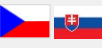





2016 Consumption vs. Peak



Historical series of cement consumption by country



Historical EBITDA development by country

EURm		2009	2010	2011	2012	2013	2014	2015	2016
 Italy	EBITDA	92.7	32.5	10.3	-5.9	-18.1	-18.7	-37.2	-22.2
	margin	13.1%	5.3%	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%
 Germany	EBITDA	116.3	76.3	90.3	72.2	108.1	88.6	72.1	76.8
	margin	22.0%	13.9%	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%
 Lux/ Netherlands	EBITDA	18.6	17.0	35.0	8.3	11.5	15.9	19.7	25.8
	margin	9.5%	8.3%	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%
 Czech Rep/ Slovakia	EBITDA	44.2	32.8	35.2	25.4	19.2	27.0	32.6	34.3
	margin	25.2%	20.5%	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%
 Poland	EBITDA	31.2	33.4	36.9	21.8	27.1	18.2	22.7	23.4
	margin	25.7%	25.8%	26.6%	20.0%	26.8%	20.4%	20.4%	24.6%
 Ukraine	EBITDA	-4.5	-10.5	6.9	15.8	12.3	11.0	4.0	12.8
	margin	-6.0%	-12.8%	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%
 Russia	EBITDA	42.1	39.7	65.7	96.1	92.6	73.4	48.4	43.2
	margin	42.6%	32.0%	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%
 USA	EBITDA	131.3	88.7	71.4	123.9	151.0	207.3	311.7	356.5
	margin	21.4%	14.8%	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%
 Mexico	EBITDA	69.9	77.2	82.6	97.5	77.5	Adoption of IFRS 11		
	margin	38.7%	36.2%	34.7%	36.2%	33.2%			
Consolidated	EBITDA	541.7	387.0	434.3	455.1	481.2	422.7	473.2	550.6
	margin	20.3%	14.6%	15.6%	16.2%	17.5%	16.9%	17.8%	20.6%