Borsa Italiana

Italian Equity Conference

New York – 15 November 2018

Buzzi Unicem

Executive summary 9M 2018

- **Volumes**
  - Cement up 2.0% in Q3 (+0.4% lfl) and +3.1% YTD (-0.8% lfl)
  - In Q3 volume reduction in the USA, Ukraine and Luxembourg, but positive trend in all the other markets
  - Volumes up in Italy and in Germany mainly thanks to scope changes
  - In the United States record rainfall in September completely stopped the August promising trend
  - Ready-mix concrete down 1.8% YTD (-3.9% in Q3)

- **Prices**
  - Favorable variances in all markets

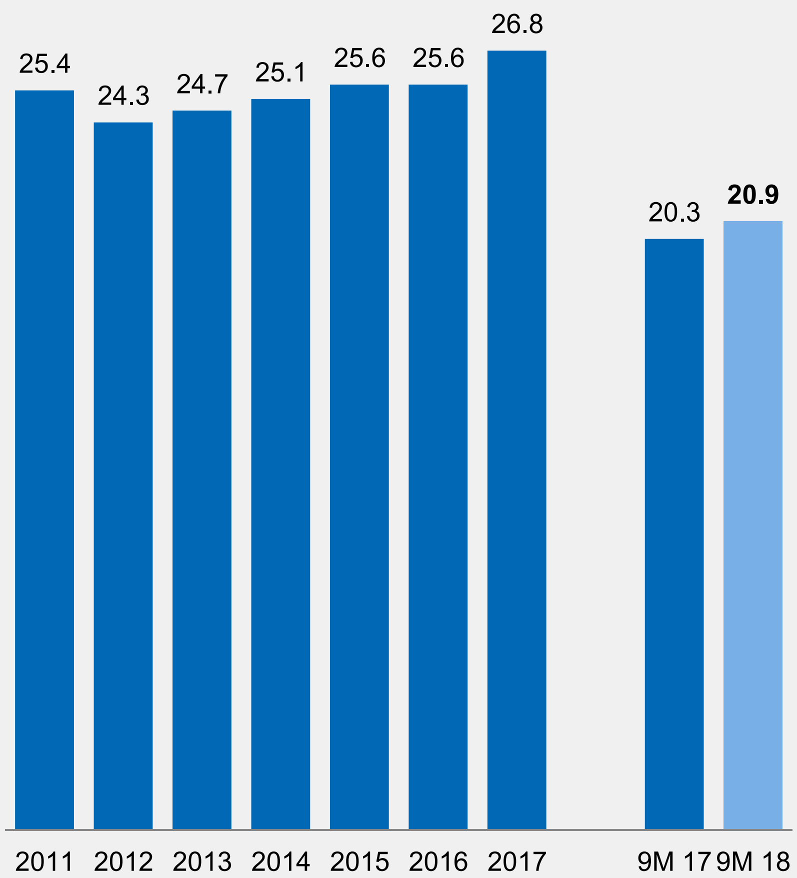
- **Foreign Exchange**
  - Negative impact on sales (€m 77.7) mainly due to weaker dollar and ruble

- **Results**
  - Revenues at €m 2,137.4 versus €m 2,133.4 in 9M 2017

Volumes 9M 18

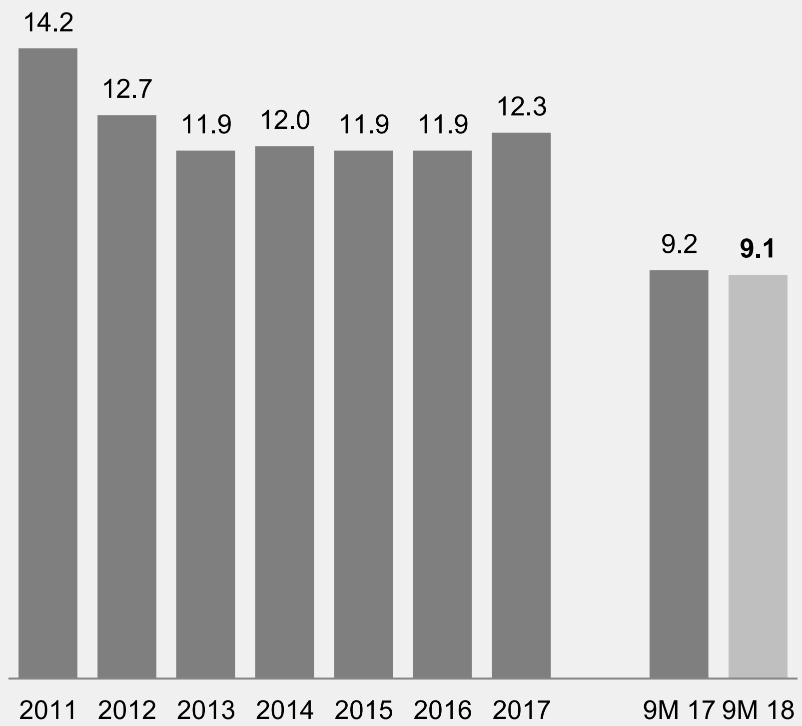
Cement

(m ton)



Ready-mix concrete

(m m3)



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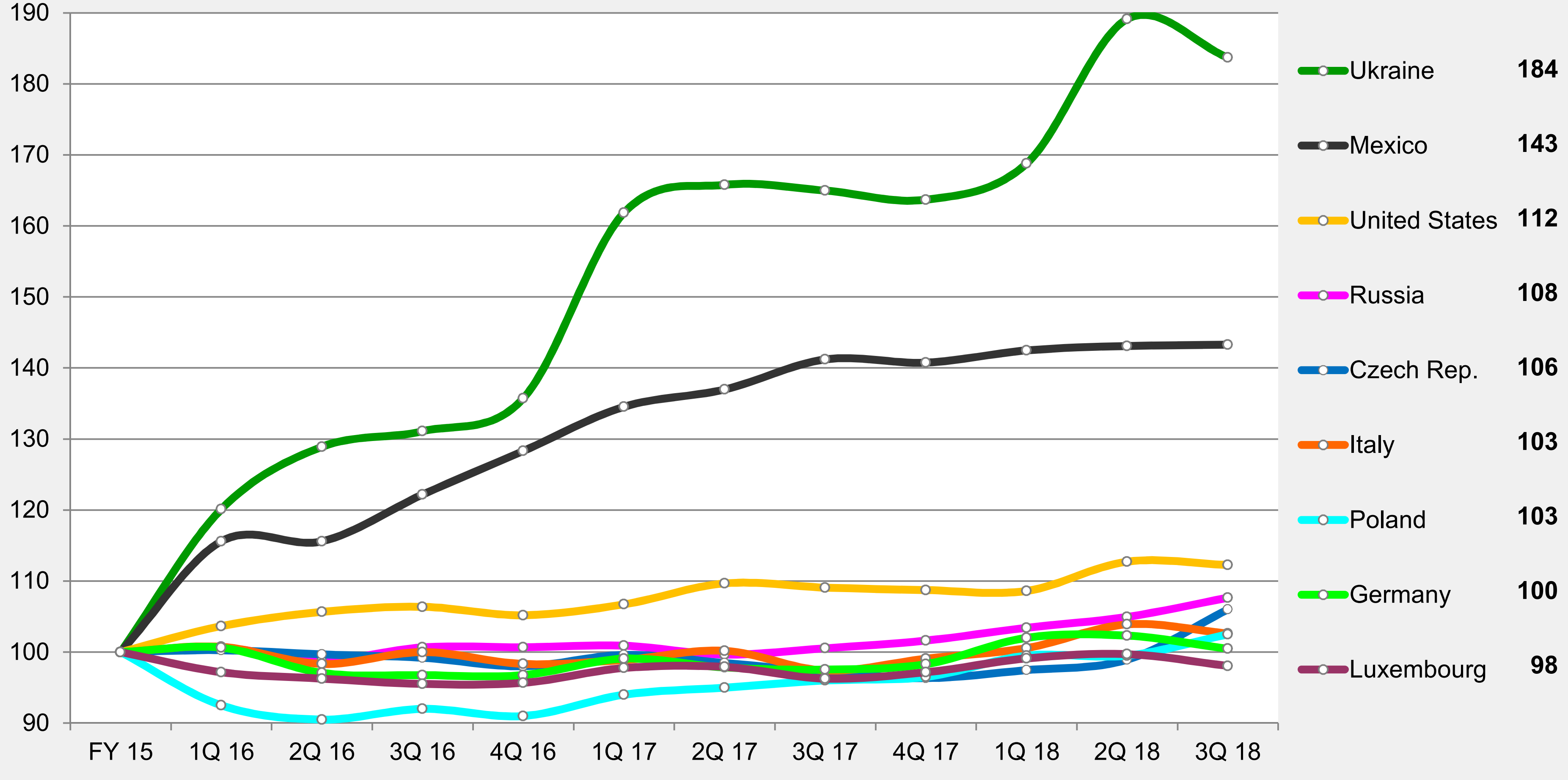
Price index by country



In local currency; FY15 = 100

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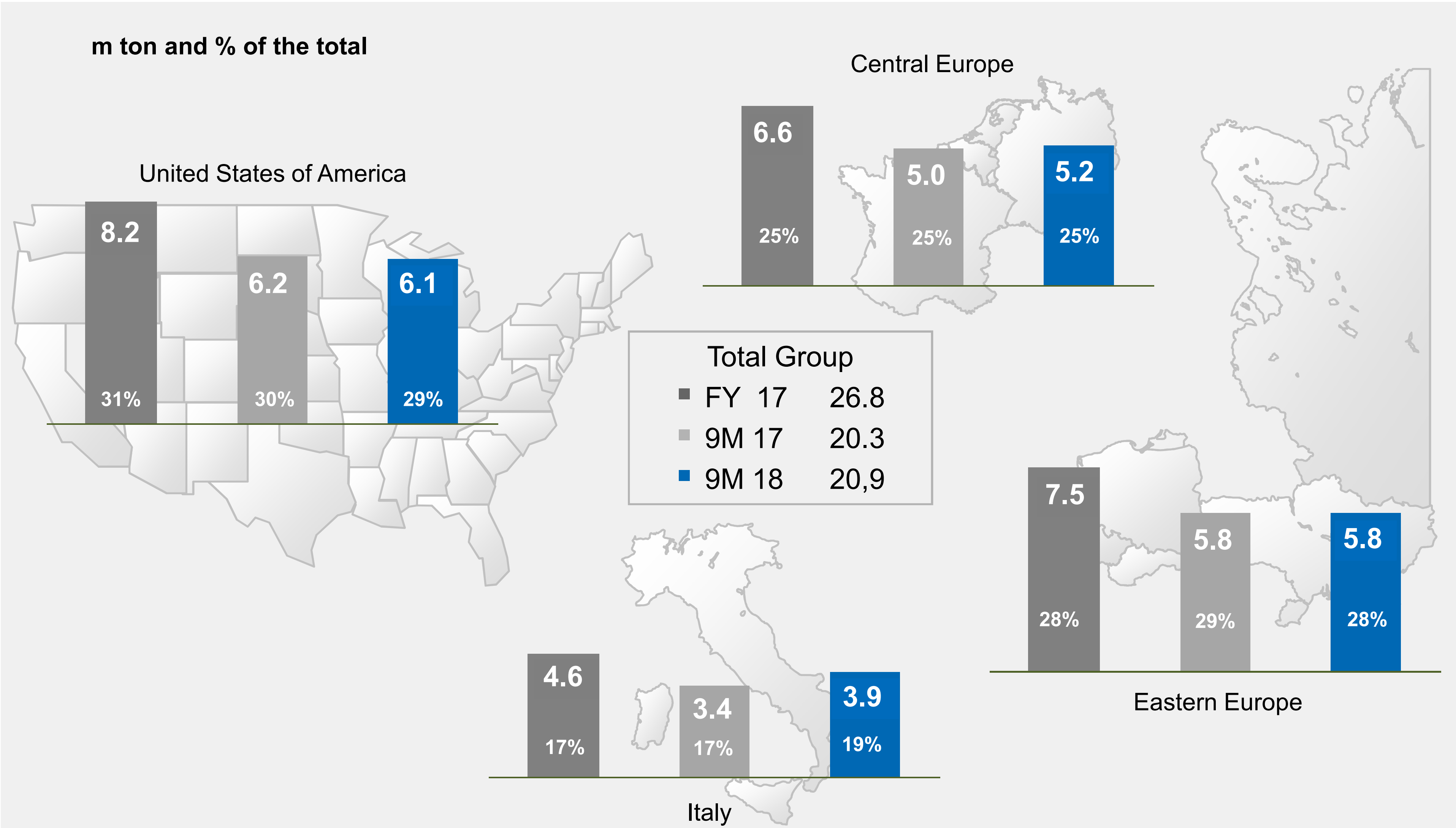
FX changes

EUR 1 =	9M 18 avg	9M 17 avg	Δ %	2017 avg	current
USD	1.19	1.11	-7.2	1.13	1.15
RUB	73.42	65.00	-12.9	65.94	75.29
UAH	32.18	29.47	-9.2	30.02	31.90
CZK	25.57	26.55	+3.7	26.33	25.84
PLN	4.25	4.27	+0.4	4.26	4.31
MXN	22.74	21.01	-8.2	21.33	22.67

Cement volumes by geopraphical area



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Net sales by country

EURm	9M 18	9M 17	Δ abs	Δ %	Forex abs	Scope abs	Δ l-f-l %
Italy	345.0	316.1	28.9	+9.1	-	36.0	-2.2
United States	791.0	852.2	(61.2)	-7.2	(56.9)	-	-0.5
Germany	465.4	448.1	17.3	+3.9	-	11.4	+1.3
Lux/Netherlands	145.1	137.0	8.1	+5.9	-	-	+5.9
Czech Rep/Slovakia	123.4	108.7	14.7	+13.5	3.5	-	+10.3
Poland	85.2	74.9	10.3	+13.7	0.3	-	+13.3
Ukraine	63.6	73.3	(9.7)	-13.2	(5.9)	-	-5.2
Russia	144.8	145.7	(1.0)	-0.7	(18.7)	-	+12.2
Eliminations	(26.0)	(22.6)	(3.5)				
Total	**2,137.4**	**2,133.4**	**4.0**	**+0.2**	**(77.7)**	**47.4**	**+1.6**
Mexico (100%)	479.6	529.3	(49.8)	-9.4	(39.5)	-	-1.9

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EBITDA by country

EURm	H1 18	H1 17	Δ abs	Δ %	Forex abs	Scope abs	Δ l-f-l %
Italy	(8.9)	(13.4)	4.5	+33.5	-	4.8	-2.2
recurring	(2.9)	(11.0)	8.1	+74.0		4.8	+30.4
USA	143.0	161.4	(18.4)	-11.4	(16.8)	-	-1.0
recurring	126.3	163.5	(37.1)	-22.7	(14.9)		-13.6
Germany	27.8	32.7	(4.9)	-15.0	-	(5.9)	+3.1
recurring	32.8	32.7	0.1	+0.3	-	(5.9)	+18.4
Lux/Netherlands	8.3	6.2	2.0	+32.5	-	-	+32.5
Czech Rep/Slovakia	19.7	13.4	6.3	+46.9	0.9	-	+40.3
Poland	16.4	9.2	7.2	+79.0	0.2	-	+77.0
recurring	11.0	9.2	1.8	+19.8	0.1	-	+18.5
Ukraine	1.6	8.8	(7.2)	-81.8	(0.2)	-	-79.7
Russia	19.6	22.9	(3.3)	-14.3	(2.9)	-	-1.8
Total	**227.4**	**241.1**	**(13.7)**	**-5.7**	**-18.8**	**-1.1**	**+2.6**
recurring	216.4	245.6	(29.2)	-11.9	-16.9	-1.1	-4.6
Mexico (100%)	153.2	173.0	(19.8)	-11.4	(14.9)	-	-2.8

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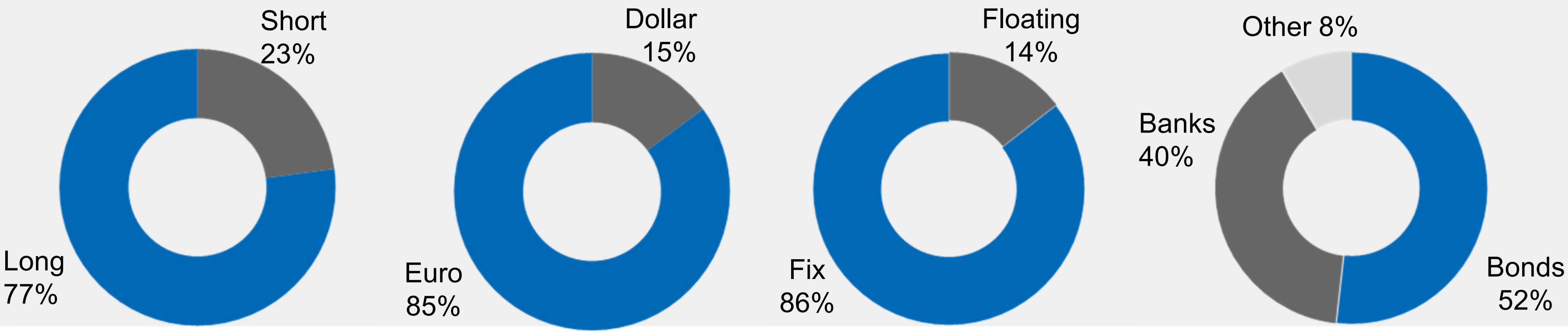
Consolidated Income Statement

EURm	H1 18	H1 17	Δ abs	Δ %
Net Sales	**1,337.4**	**1,353.8**	**(16.4)**	**-1.2**
EBITDA	**227.4**	**241.1**	**(13.7)**	**-5.7**
of which, non recurring	(11.0)	4.5		
% of sales (recurring)	16.2%	18.1%		
Depreciation and amortization	(104.0)	(108.6)	4.6	
Operating profit (EBIT)	**123.5**	**132.5**	**(9.1)**	**-6.8**
% of sales	9.2%	9.8%		
Equity earnings	40.2	49.7	(9.5)	
Net finance costs	(4.4)	(12.2)	7.8	
Profit before tax	**159.3**	**170.1**	**(10.8)**	**-6.4**
Income tax expense	(35.8)	(50.8)	14.9	
Net profit	**123.4**	**119.3**	**4.1**	**+3.4**
Minorities	(0.4)	(1.7)		
Consolidated net profit	**123.0**	**117.6**	**5.4**	**+4.6**

Net Financial Position

EURm	Sep 18	Dec 17	Δ abs	Sep 17
Cash and other financial assets	644.2	829.8	(185.6)	716.4
Short-term debt	(313.5)	(424.6)	11.1	(392.5)
Net short-term cash	**330.7**	**405.2**	**(74.5)**	**323.9**
Long-term financial assets	3.7	3.2	0.5	12.2
Long-term debt	(1,057.7)	(1,270.9)	213.2	(1,251.3)
Net debt	**(723.4)**	**(862.5)**	**139.1**	**(915.2)**

Gross debt breakdown (€m 1,371.3)



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Consolidated Cash Flow Statement

EURm	H1 18	H1 17	2017
Cash generated from operations	**96.0**	**186.5**	**506.6**
% of sales	*7.2%*	*13.8%*	*18.1%*
Interest paid	(15.1)	(15.5)	(43.9)
Income tax paid	(27.7)	(37.1)	(91.9)
Net cash by operating activities	**53.2**	**133.9**	**370.8**
% of sales	*4.0%*	*9.9%*	*13.2%*
Capital expenditures[1)]	(107.8)	(90.4)	(183.7)
Equity investments	(54.5)	(27.5)	(33.9)
Dividends paid	(28.3)	(21.8)	(22.0)
Dividends from associates	51.9	32.5	85.3
Disposal of fixed assets and investments	26.3	5.5	12.5
Translation differences and derivatives	27.9	(9.6)	(40.2)
Accrued interest payable	(5.7)	6.9	(1.4)
Interest received	6.4	4.1	9.7
Contingent liabilities			(61.5)
Change in consolidation area and other	(0.9)	(1.3)	(56.4)
Change in net debt	**(31.6)**	**32.3**	**79.1**
Net financial position (end of period)	**(894.0)**	**(909.2)**	**(862.5)**

1) of which expansion projects 18.5 (11.9 in H1 17; 28.7 in 2017)

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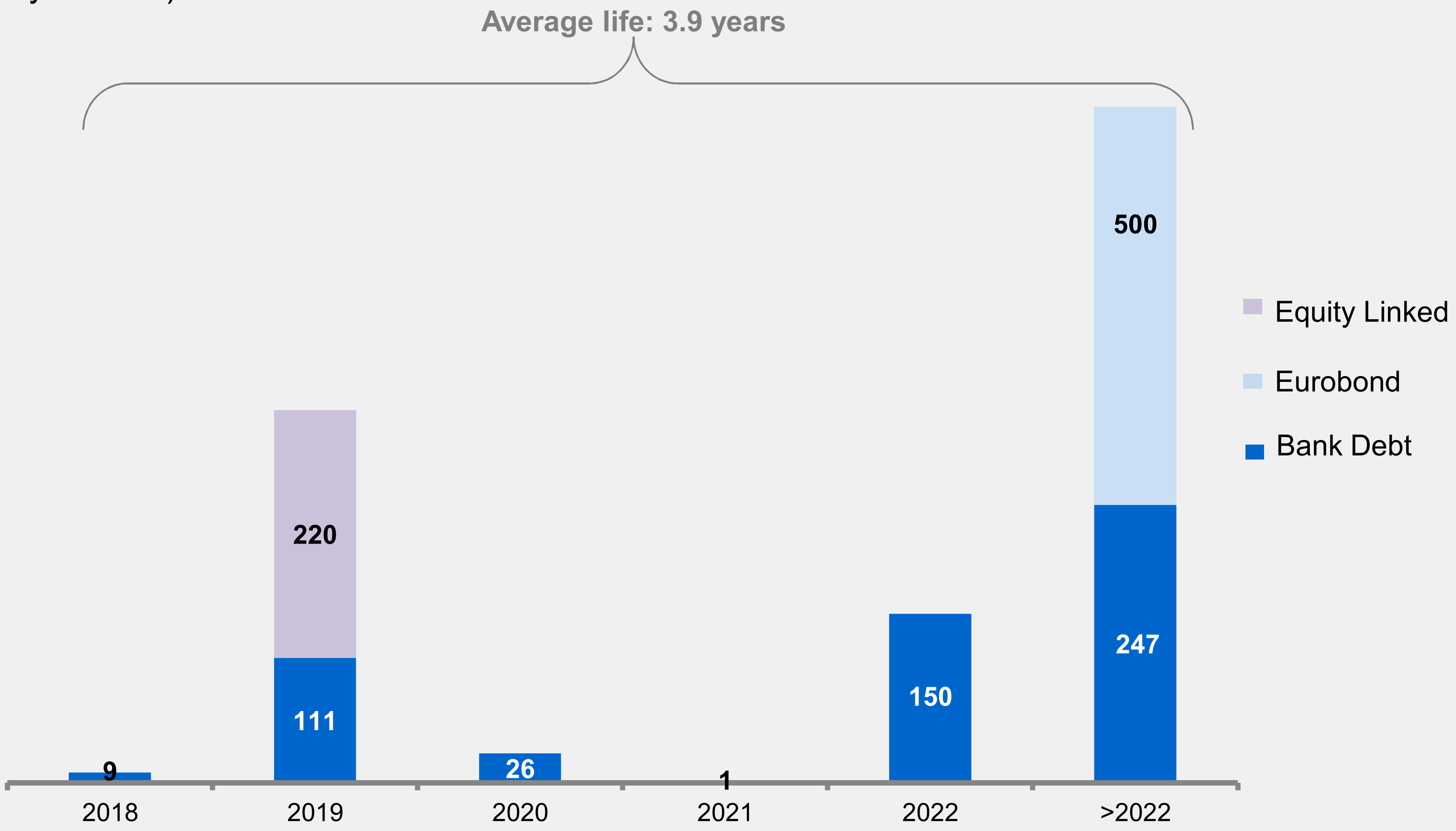
Debt maturity profile

- Total nominal value of debt and borrowings stood at €m 1,264 at September 2018
- As at September 2018 available €m 324m of undrawn committed facilities (€m 300m for Buzzi Unicem, €m 24 for Dyckerhoff)



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Expected trading in 2018

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

Note: Prices in local currency

Strategic move: agreement with Grupo Ricardo Brennand (1/6)

RATIONALE

1- Stable improvement in the Buzzi Unicem financial situation

2- Enlargement of the geographical diversification

3- Brazil: largest economy in South America

4- Per capita cement consumption in Brazil is currently at its lowest levels in years

5- Current downturn in the Brazilian economy and cement industry in particular, is expected to be positively resolved starting from 2019

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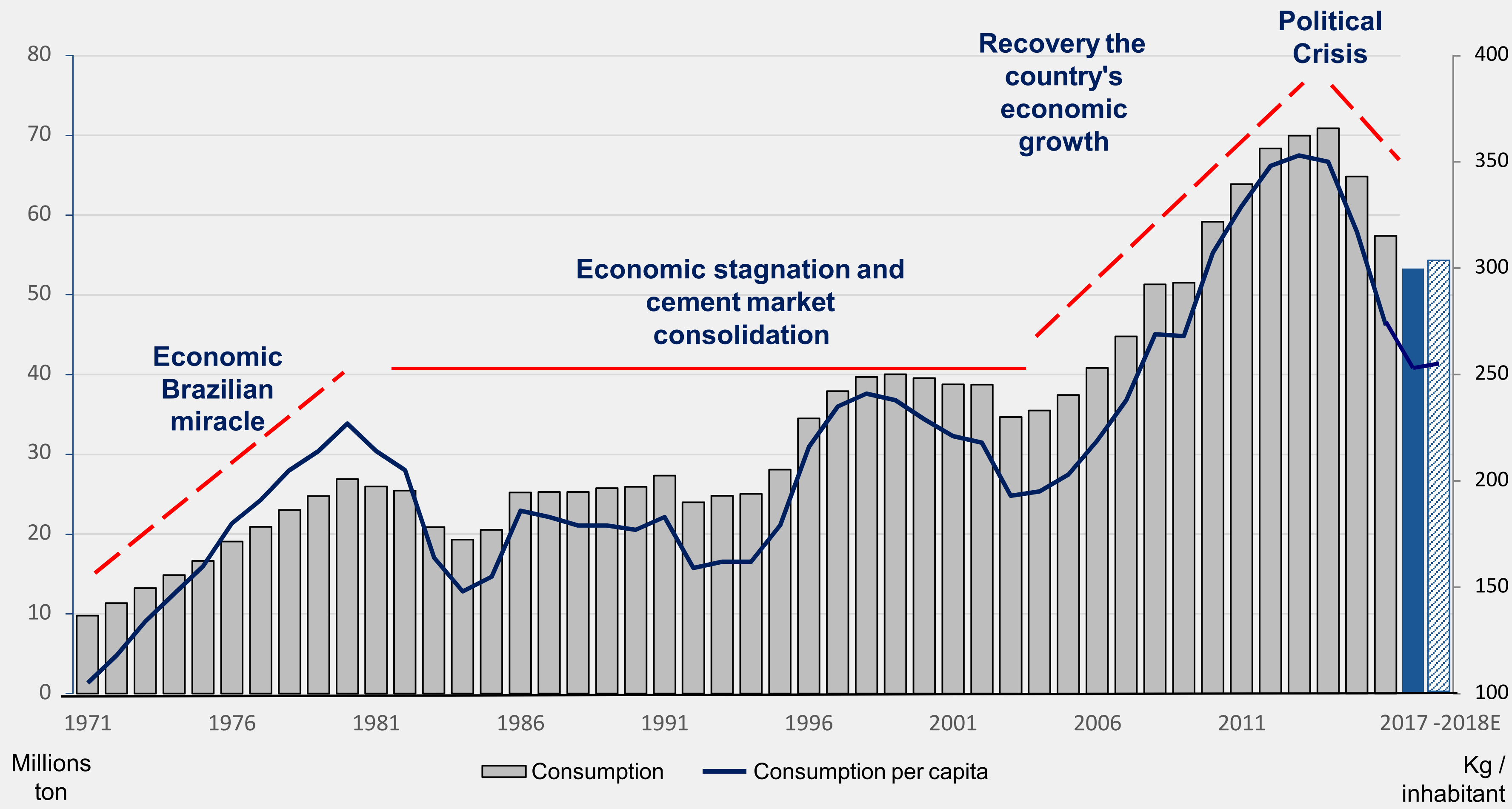
Strategic move: agreement with Grupo Ricardo Brennand (2/6)

National cement market: evolution over last 45 years



Source: SNIC

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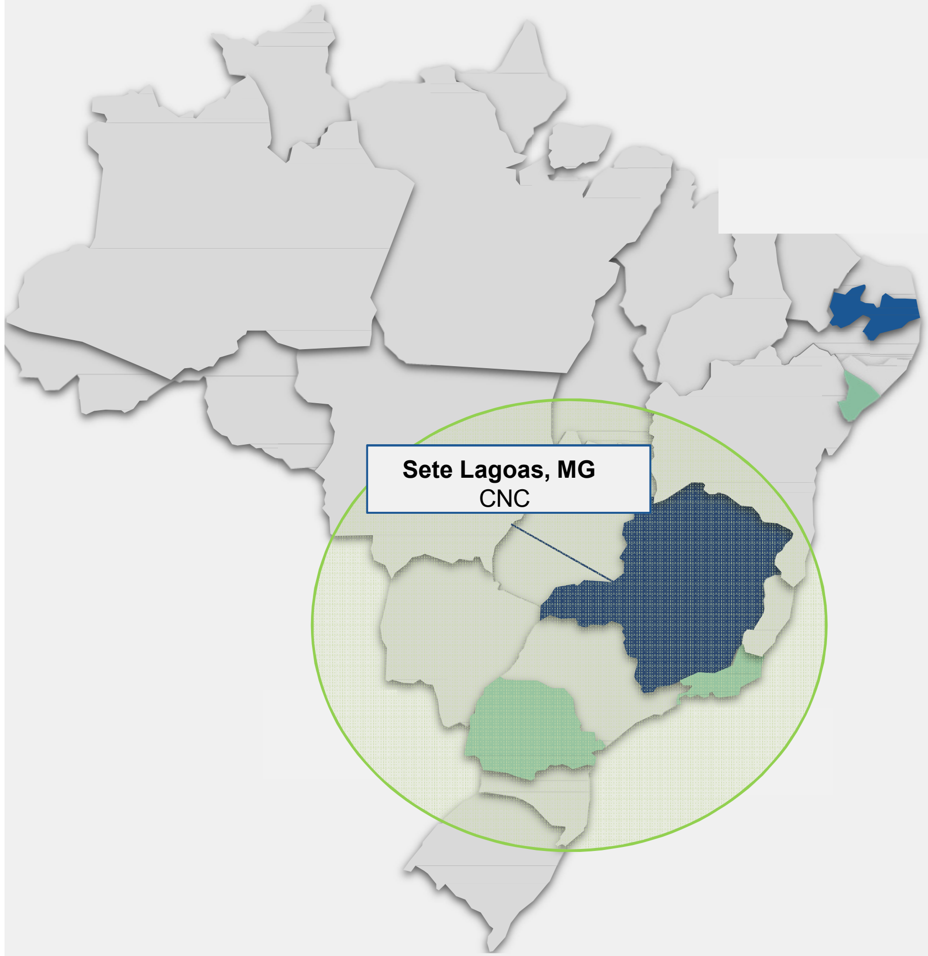
Strategic move: agreement with Grupo Ricardo Brennand (3/6)

- On 6 September, 2018 Buzzi Unicem has signed an agreement with Grupo Ricardo Brennand aimed at acquiring 50% of BCPAR SA, a subsidiary of Brennand Cimentos
- BCPAR SA owns, among other things, two full-cycle cement plants operating in Brazil, one in the North-East region of the country (state of Paraíba) and the other in the South-East (state of Minas Gerais)
- The first step of the agreements entails an outlay by Buzzi Unicem of R$ 700 million (of which R$ 350 million for the stake purchase held by the current minority shareholders and R$ 350 million for the dedicated capital increase) corresponding to approximately € 150 million
- A shareholders' agreement will be signed between the Ricardo Brennand Group and Buzzi Unicem providing for the co-control management rules of the joint venture BCPAR SA, on the basis of an equal participation in the board of directors and the shareholders' meeting. The agreement also entails a Put option (exercisable from 1 January 2023) and a Call option (exercisable from 1 January 2025) referring to the residual ownership interest by Brennand Cimentos (50%)

Strategic move: agreement with Grupo Ricardo Brennand (4/6)

- The exercise price of the options will be established on the basis of the consolidated average EBITDA achieved by BCPAR SA during the three years before the exercise of the option, taking into account the net financial position
- The minimum exercise price of the options is equal to US$250 million, to which the corresponding portion (50%) of the net financial position at the time of purchase must be added or deducted
- The strike is the same in case of either Put or Call
- The completion of the 100% acquisition, if the option are exercised, will occur no later than 2026
- Closing is expected to take place by 31 December 2018

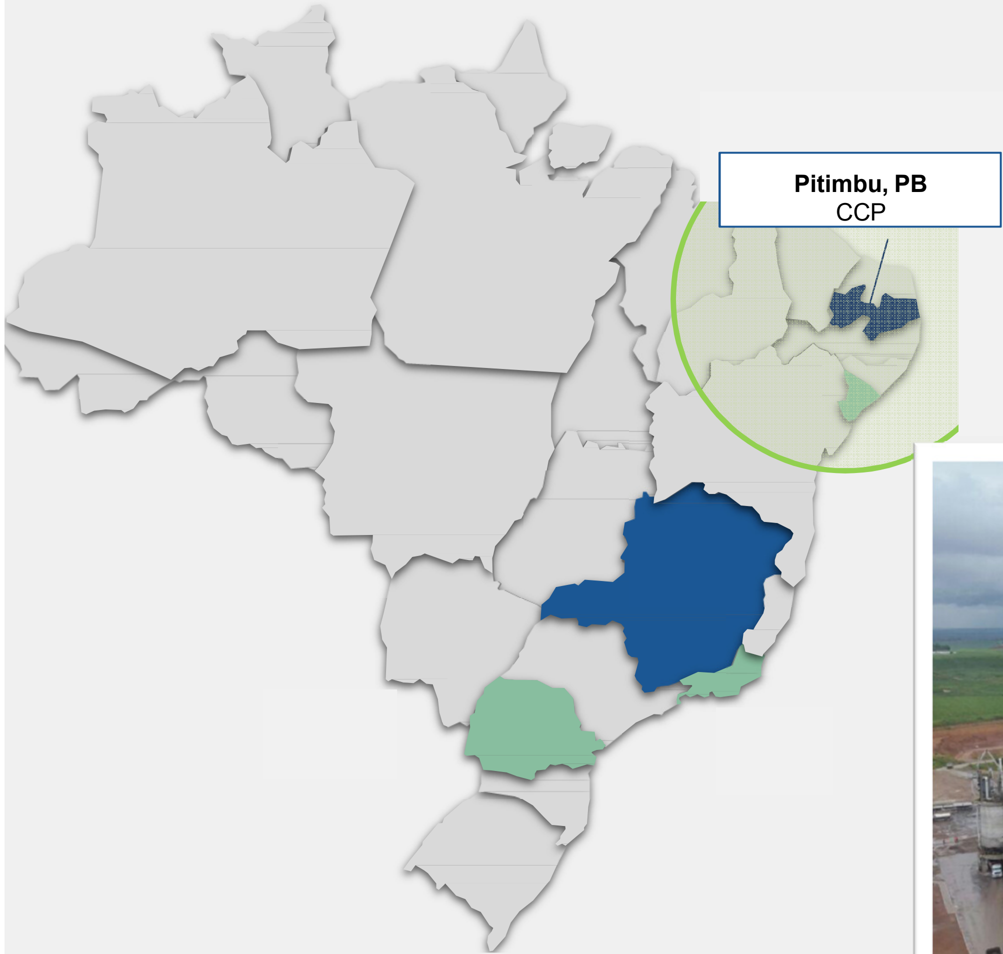
Strategic move: agreement with Grupo Ricardo Brennand (5/6)



Minas Gerais Cement Plant (CNC):

- **CNC is a complete cement production line,** able to produce clinker (1 rotary kiln) and cement (2 cement mills)
- **Started** its operation in May 2011.The total production capacity is 2.4 million tons of cement per year and 1.2 million tons of clinker per year
- **The plant meets cement demand** of Southeast Region (largest Brazilian Market), part of the South, Mid-West and North

Strategic move: agreement with Grupo Ricardo Brennand (6/6)



Paraíba Cement Plant (CCP):

- **CCP is a complete cement production line,** able to produce clinker (1 rotary kiln) and cement (1 cement mill)
- **Started** its operation in August 2015, with total production capacity of 1.7 million tons of cement per year and 1.4 million tons of clinker per year
- **The plant meets cement demand** of Northeast Region (second largest cement market in Brazil)