

Engineering & Construction Conference

Milan – 4 April 2019

Executive summary FY 2018

▪ Volumes

- Cement up in Q4 and +4.3% YTD (lfl +1.0%). Ready-mix concrete down 1.6% YTD, mostly due to the restructuring in Italy
- Italy: thanks to scope changes, export and clinker, cement is up 13.3% YTD (+0.5% lfl); ready-mix down, mostly referring to the lower number of batching plants directly managed
- United States: Q4 slightly positive but YTD cement down 1.1% and ready mix almost flat
- Central Europe: cement volumes up in Q4 and + 5.4% YTD, with Germany up 7.9%, thanks to Seibel & Söhne (lfl +1.8%); ready-mix concrete YTD almost flat in Germany but well ahead in Benelux
- Eastern Europe: positive cement volumes YTD (+2.2%); the progress realized in the Czech Republic (+9.6%), Poland (+6.5%) and Russia (+5.4%) more than offsets the weakness in Ukraine (-11.8%); favorable trend confirmed for ready mix concrete (+7.3%) particularly in the Czech Republic and Poland

▪ Prices

- Favorable variances in all markets

▪ Foreign Exchange

- Negative impact on sales (€m 74.3) mainly due to weaker dollar (€m 48.6), ruble (€m 22.8) and hrvnia

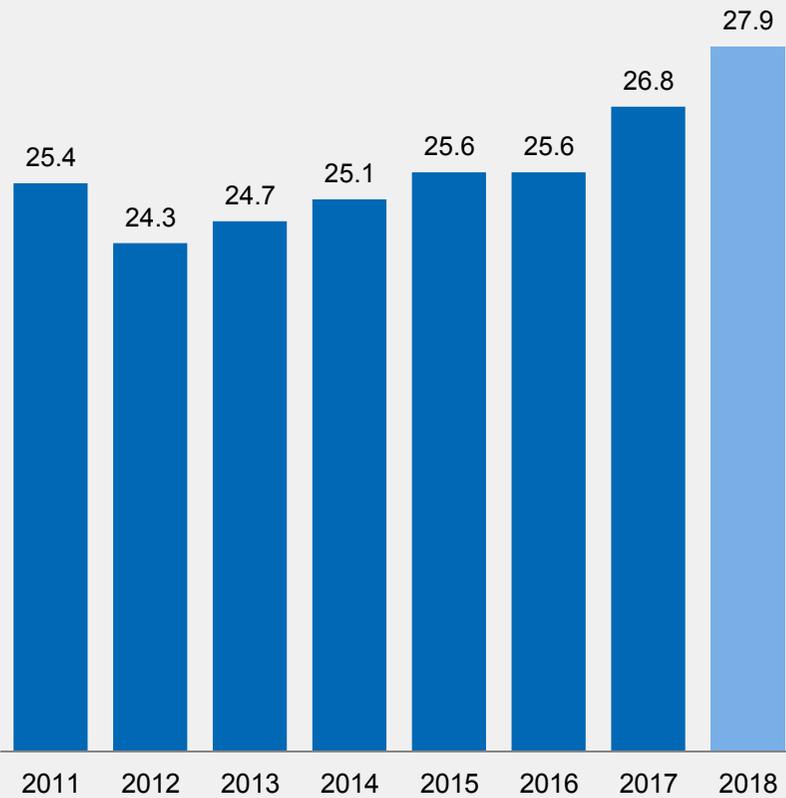
▪ Results

- Revenues at €m 2,873.5 versus €m 2,806.2 in 2017
- Net debt at €m 891 versus €m 863 at year end 2017, after acquisitions of €m 44 for Seibel & Soehne and €m 161 for 50% of Brennard Cimentos, expansion capex of €m 31, buy back of shares of €m 118

Volumes

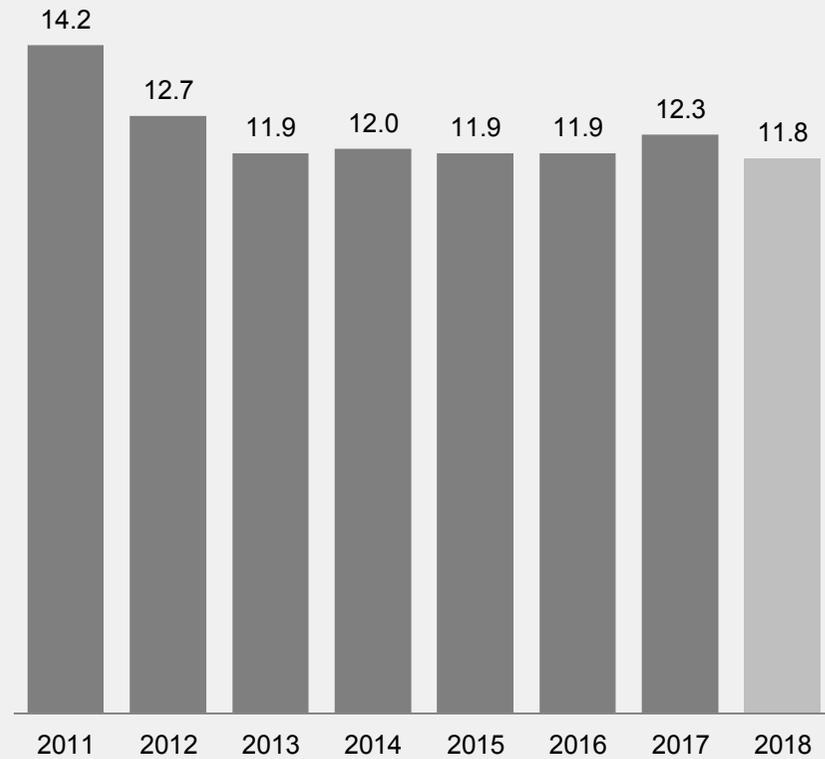
Cement

(m ton)

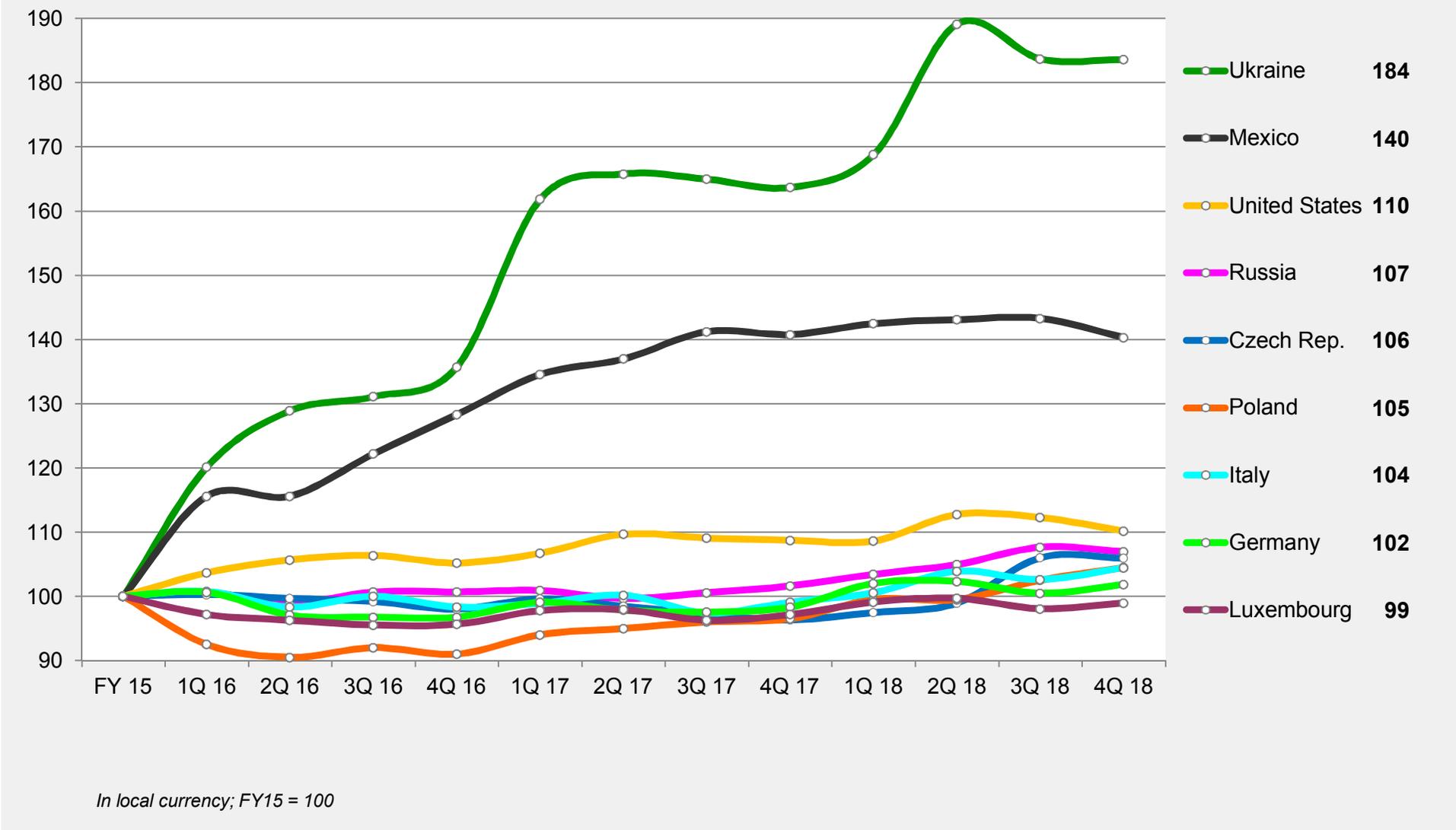


Ready-mix concrete

(m m3)



Price index by country



FX changes

	2018	2017	Δ	2016	current
EUR 1 =	avg	avg	%	avg	
 USD	1.18	1.13	-4.5	1.11	1.12
 RUB	74.04	65.94	-12.3	74.14	72.86
 UAH	32.11	30.02	-7.0	28.28	30.60
 CZK	25.65	26.33	+2.6	27.03	25.80
 PLN	4.26	4.26	-0.1	4.36	4.30
 MXN	22.71	21.33	-6.5	20.67	21.69

Net sales by country

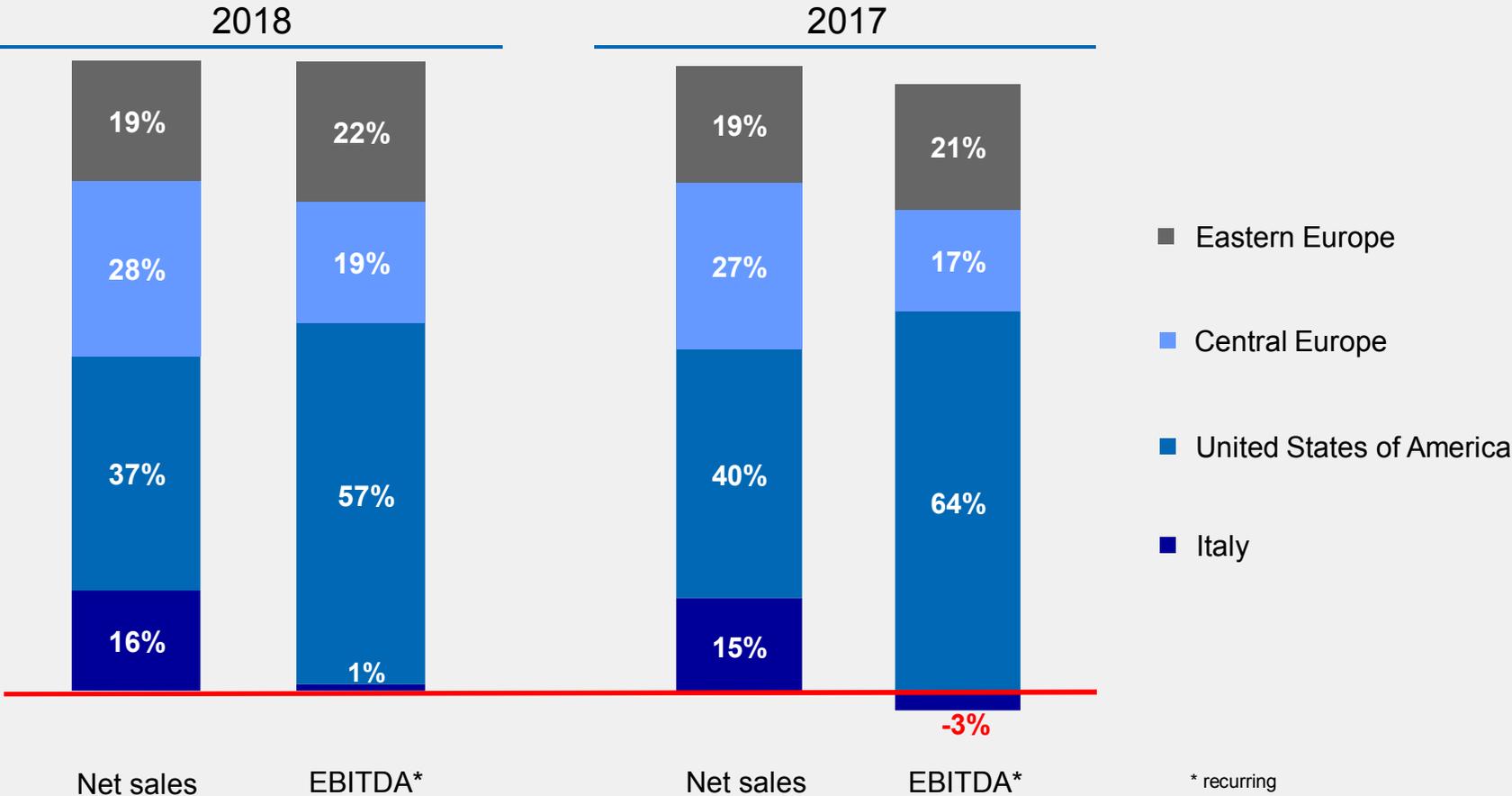
	2018	2017	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	459.8	427.8	32.0	+7.5	-	36.0	-0.9
 United States	1,069.6	1,110.6	(40.9)	-3.7	(48.6)	-	+0.7
 Germany	632.5	588.0	44.5	+7.6	-	16.9	+4.7
 Lux/Netherlands	197.1	186.8	10.3	+5.5	-	-	+5.5
 Czech Rep/Slovakia	164.5	147.9	16.6	+11.2	3.3	-	+9.0
 Poland	111.4	97.0	14.4	+14.8	(0.1)	-	+15.0
 Ukraine	88.3	94.5	(6.2)	-6.6	(6.1)	-	-0.1
 Russia	185.5	184.3	1.2	+0.6	(22.8)	-	+13.0
<i>Eliminations</i>	(35.3)	(30.7)	(4.6)				
Total	2,873.5	2,806.2	67.2	+2.4	(74.3)	52.9	+3.2
 Mexico (100%)	624.7	686.1	(61.4)	-9.0	(40.3)	-	-3.1

EBITDA by country

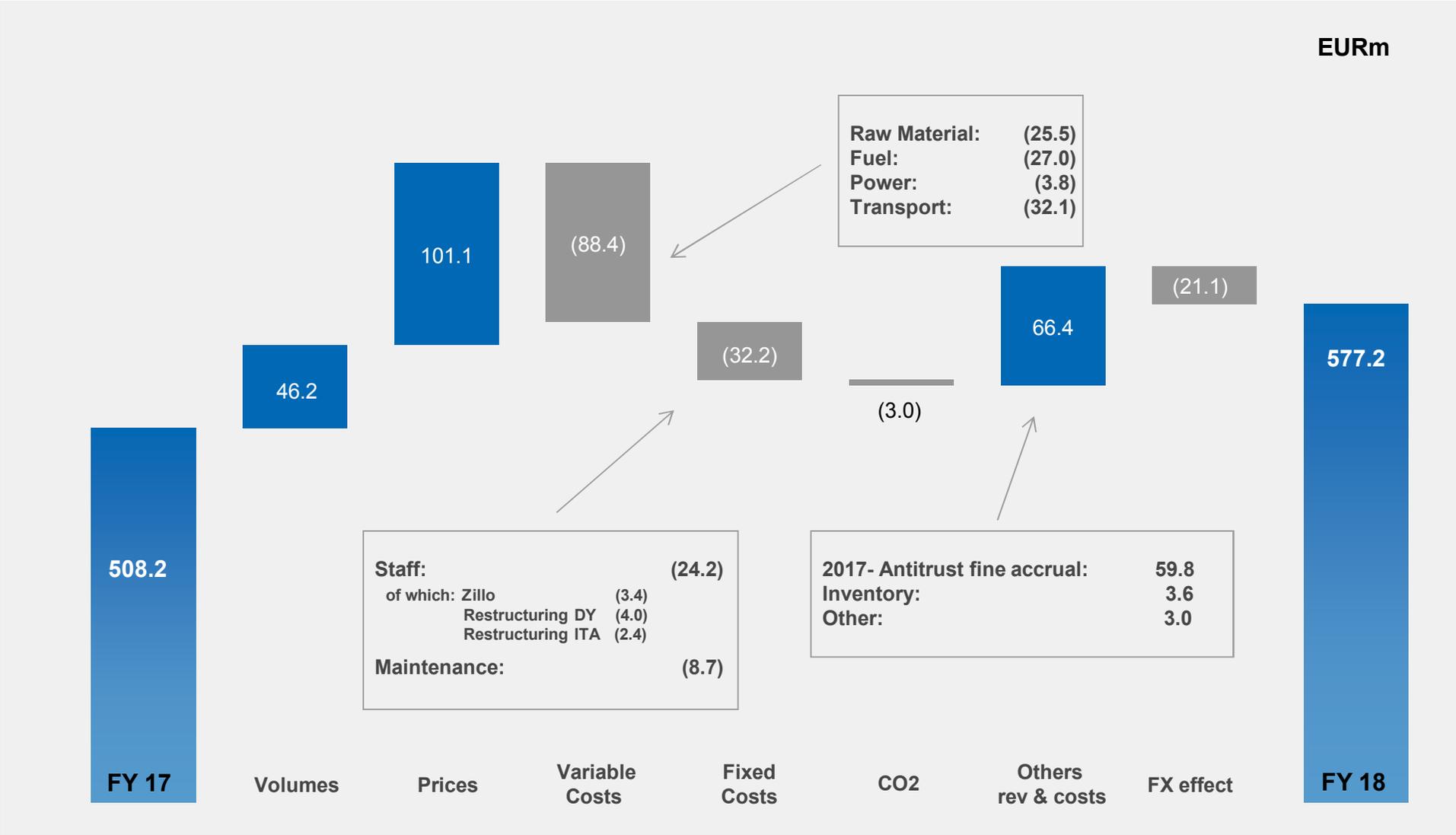
EURm	2018	2017	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	(1.7)	(79.7)	77.9	+97.8	-	4.8	+91.8
 USA	341.2	369.6	(28.4)	-7.7	(15.5)	-	-3.5
 Germany	82.5	77.9	4.5	+5.8	-	(5.9)	+13.4
 Lux/Netherlands	23.1	17.6	5.5	+31.4	-	-	+31.4
 Czech Rep/Slovakia	43.6	36.6	7.0	+19.2	1.1	-	+16.1
 Poland	31.9	24.2	7.6	+31.5	0.0	-	+31.6
 Ukraine	7.0	16.0	(9.0)	-56.0	(0.5)	-	-52.9
 Russia	50.1	46.0	4.1	+9.0	(6.2)	-	+22.3
<i>Eliminations</i>	(0,4)	(0,1)	(0.3)				
Total	577.2	508.2	69.0	+13.6	-21.1	(1.1)	+18.0
recurring	568.5	576.4	(7.9)	-1.4	-21.5	(1.1)	+2.6
 Mexico (100%)	289.0	329.3	(40.3)	-12.2	(18.7)	-	-6.6

Net sales and EBITDA development

- Italy improving, thanks to Zillo contribution, and, at long last, positive
- USA drops under 2/3 of the consolidated EBITDA
- Favorable trend in Central and Eastern Europe



EBITDA variance analysis



Consolidated Income Statement

EURm	2018	2017	Δ abs	Δ %
Net Sales	2,873.5	2,806.2	67.2	+2.4
EBITDA	577.2	508.2	69.0	+13.6
of which, non recurring	(8.7)	68.2		
% of sales (recurring)	19.8%	20.5%		
Depreciation and amortization	(225.4)	(222.1)	(3.2)	
Operating profit (EBIT)	351.8	286.0	65.8	+23.0
% of sales	12.2%	10.2%		
Equity earnings	88.7	97.7	(9.0)	
Net finance costs	24.7	(35.0)	59.8	
Profit before tax	465.3	348.7	116.6	+33.4
Income tax expense	(82.5)	45.9	128.4	
Net profit	382.8	394.6	(11.8)	-3.0
Minorities	(0.6)	(3.0)		
Consolidated net profit	382.1	391.6	(9.5)	-2.4

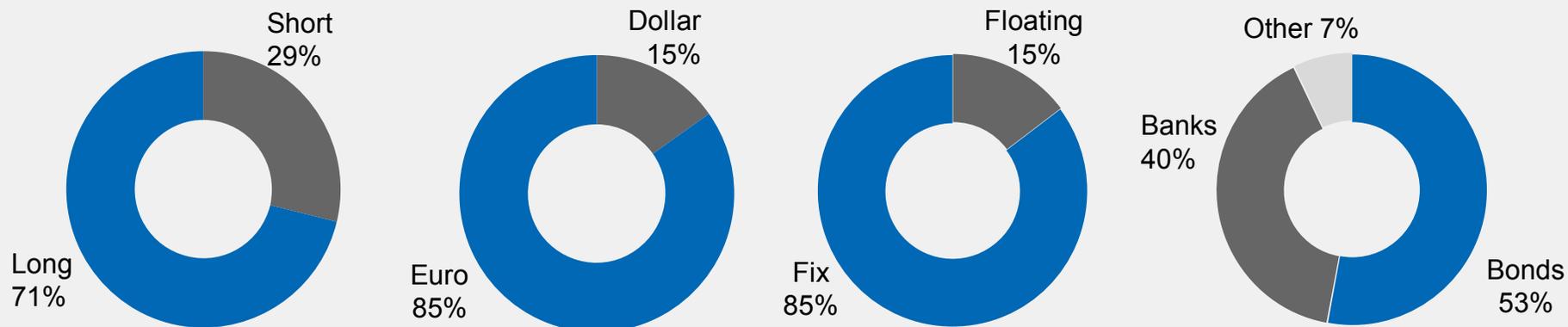
Consolidated Cash Flow Statement

EURm		
Cash generated from operations	453.4	506.6
% of sales	15.8%	18.1%
Interest paid	(45.4)	(43.9)
Income tax paid	(76.4)	(91.9)
Net cash by operating activities	331.6	370.8
% of sales	11.5%	13.2%
Capital expenditures	(215.3)	(183.7)
Equity investments	(228.5)	(33.9)
Purchase of treasury shares	(118.7)	
Dividends paid	(28.6)	(22.0)
Dividends from associates	80.9	85.3
Disposal of fixed assets and investments	45.2	12.5
Translation differences and derivatives	90.1	(40.2)
Accrued interest payable	3.5	(1.4)
Interest received	14.4	9.7
Contingent liabilities		(56.4)
Change in consolidation area and other	(2.6)	(61.5)
Change in net debt	(28.0)	(79.1)
Net financial position (end of period)	(890.5)	(862.5)

Net Financial Position

	Dec 18	Dec 17	Δ	Sep 18
EURm				
			abs	
Cash and other financial assets	450.7	829.9	(379.2)	644.2
Short-term debt	(387.3)	(424.7)	37.4	(313.5)
Net short-term cash	63.4	405.2	(341.8)	330.7
Long-term financial assets	4.3	3.2	1.1	3.7
Long-term debt	(958.2)	(1,270.8)	312.7	(1,057.8)
Net debt	(890.5)	(862.5)	(28.0)	(723.4)

Gross debt breakdown (€m 1,345.4)



Expected trading in 2019

	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

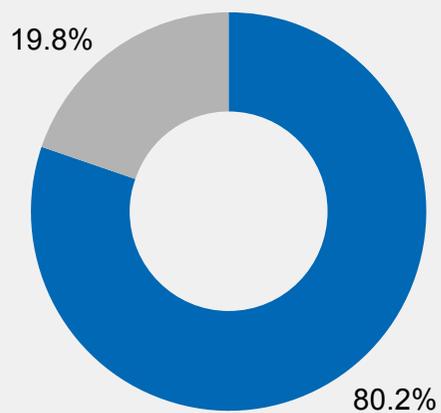
- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
 - Italy (# 2 cement producer), United States (# 4 cement producer), Germany (# 2 cement producer), joint venture 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

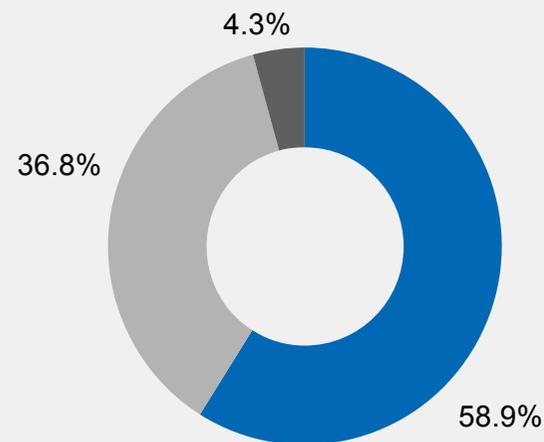
Share Capital

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



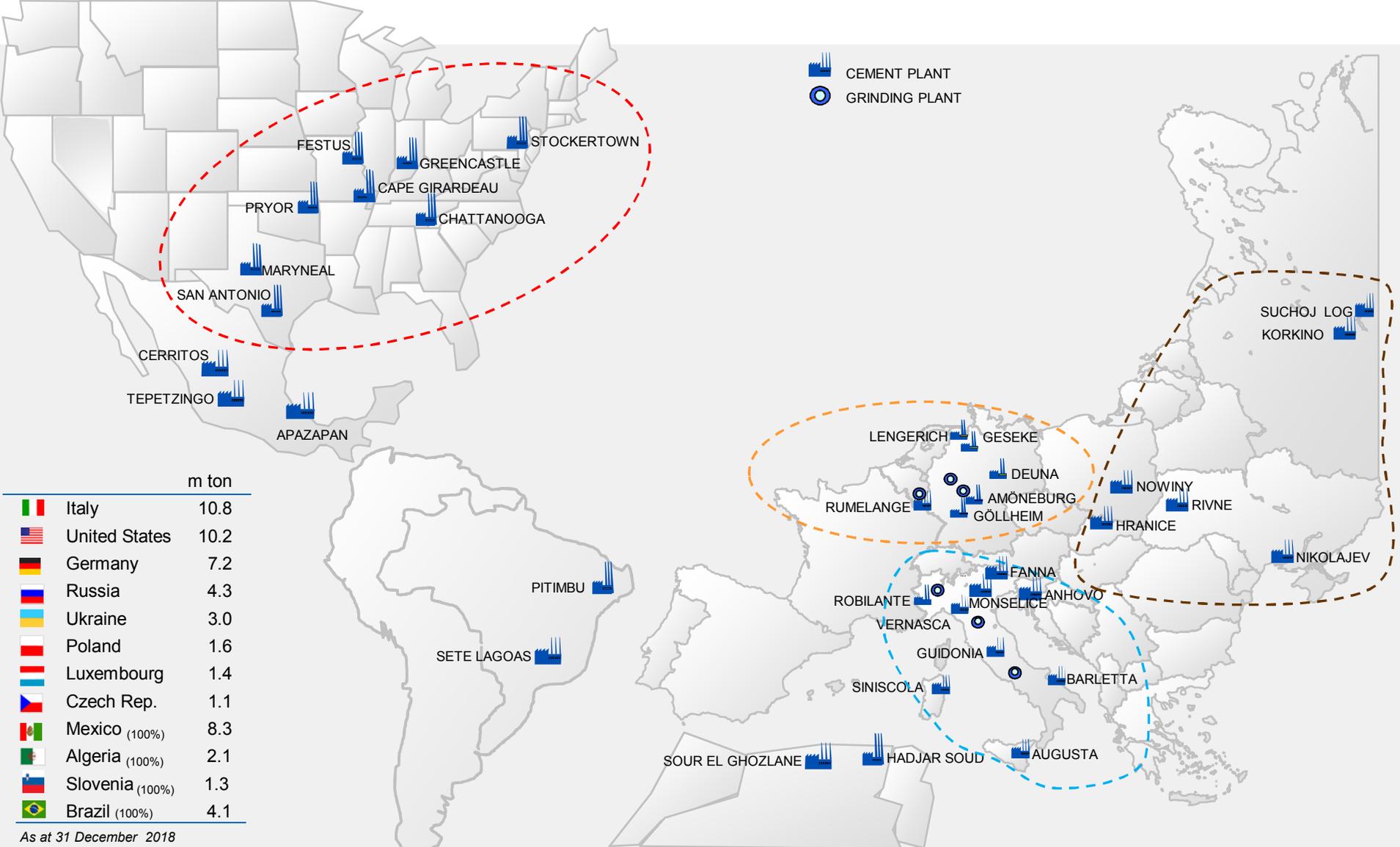
Common Shares

• Buzzi holdings	97,450,000
• Free float	60,849,149
• Treasury shares	7,050,000

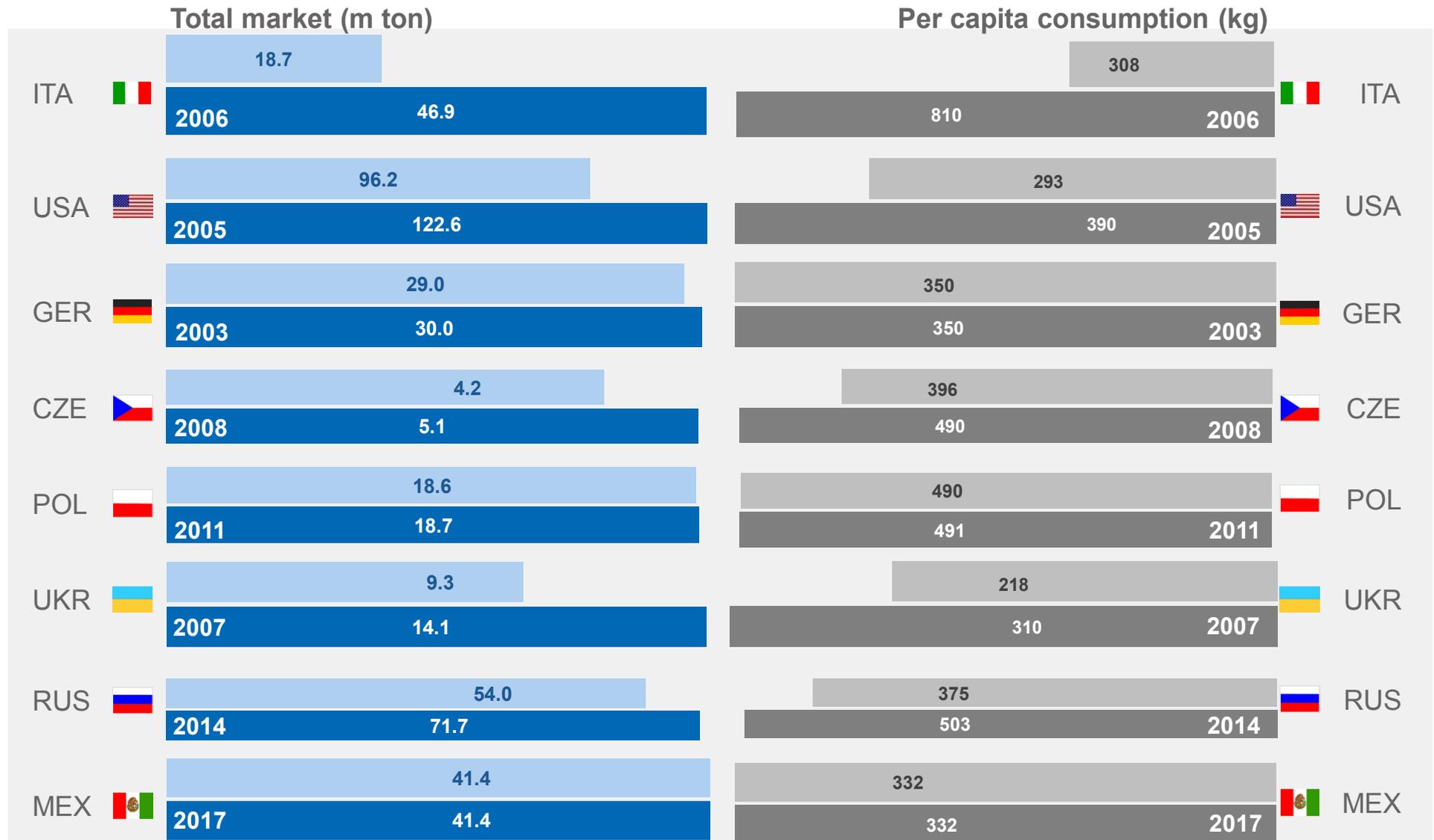


As at 31 December 2018

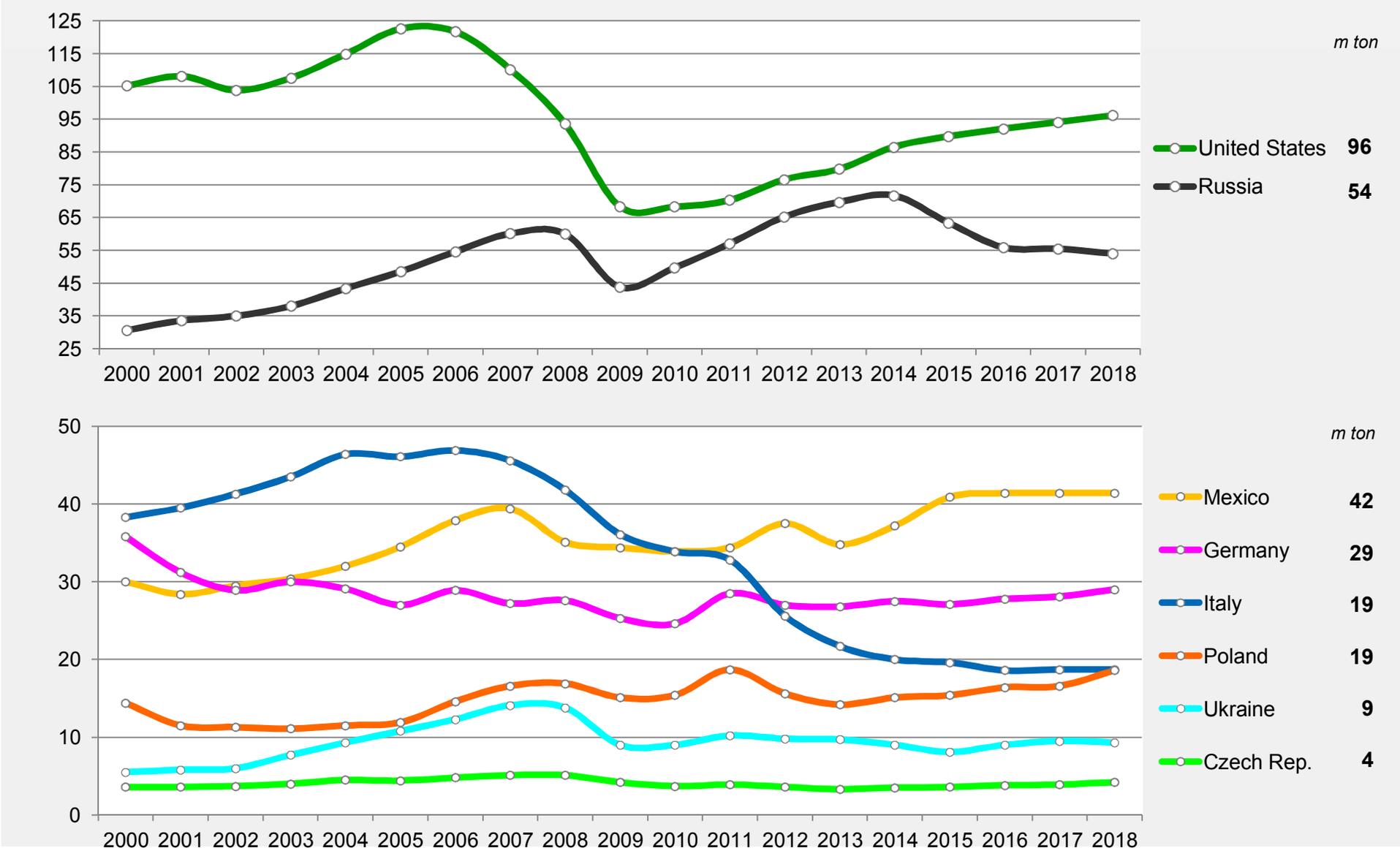
Cement plants location and capacity



2018 Consumption vs. Peak



Historical series of cement consumption by country



Historical EBITDA development by country

EURm		2011	2012	2013	2014	2015	2016	2017	2018	
 Italy	EBITDA	10.3	-5.9	-18.1	-18.7	-37.2	-22.2	-79.7	-1.7	
	margin	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%	-18.6%	-0.4%	
 Germany	EBITDA	90.3	72.2	108.1	88.6	72.1	76.8	77.9	82.5	
	margin	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%	13.3%	13.0%	
 Lux/ Netherlands	EBITDA	35.0	8.3	11.5	15.6	19.7	25.8	17.6	23.1	
	margin	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%	9.4%	11.7%	
 Czech Rep/ Slovakia	EBITDA	35.2	25.4	19.2	27.0	32.6	34.3	36.6	43.6	
	margin	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%	24.7%	26.5%	
 Poland	EBITDA	36.9	21.8	27.1	18.2	22.7	23.4	24.2	31.9	
	margin	26.6%	20.0%	26.8%	20.4%	20.4%	24.5%	24.9%	28.6%	
 Ukraine	EBITDA	6.9	15.8	12.3	11.0	4.0	12.8	16.0	7.0	
	margin	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%	16.9%	8.0%	
 Russia	EBITDA	65.7	96.1	92.6	73.4	48.4	48.2	46.0	50.1	
	margin	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%	24.9%	27.0%	
 USA	EBITDA	71.4	123.9	151.0	207.3	311.7	356.5	369.6	341.2	
	margin	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%	33.0%	31.9%	
 Mexico	EBITDA	82.6	97.5	77.5	Adoption of IFRS 11					
	margin	34.7%	36.2%	33.2%	Adoption of IFRS 11					
Consolidated	EBITDA	434.3	455.1	481.2	422.7	473.2	550.6	508.2	577.2	
	margin	15.6%	16.2%	17.5%	16.9%	17.8%	20.6%	18.1%	20.1%	