

Credit Investors Conference call

Casale Monferrato – 14 April 2020

Executive Summary

VOLUMES

Cement volumes at 29.1 mt (27.9 mt in 2018), +4.3%, thanks to the progress achieved in all our geographies, particularly in US and Eastern Europe

Ready Mix concrete volumes at 12.1 mt (+0.2%)

FINANCIALS

Net sales at 3,221.4 €m (2,873.5 €m in 2018), +12.1% (+8.6% lfl), driven by USA (+16.2%), Eastern Europe (+16.1%), Italy (+9.8%) and Central Europe (+5.3%)

EBITDA at 728.1 €m (577.2 €m in 2018), +26.1% (+22.5% lfl), including 27.7 €m IFRS 16 impact, driven by Italy, Eastern Europe (+18.5%), Central Europe (18.4%) and USA (+18%)

CASH GENERATION

Net cash flow from operations at 575.5 €m (331.6 €m in 2018)

Net Debt at 567.8 €m, including 93.9€m IFRS 16 impact (890.5 €m in 2018)

NEW BUY BACK PROGRAM

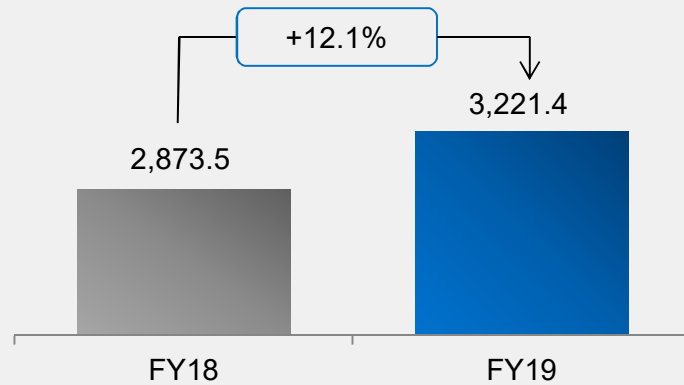
Authorization by the BoD to purchase up to 7 million ordinary and/or savings share

Maximum possible purchase equal to 140 €m

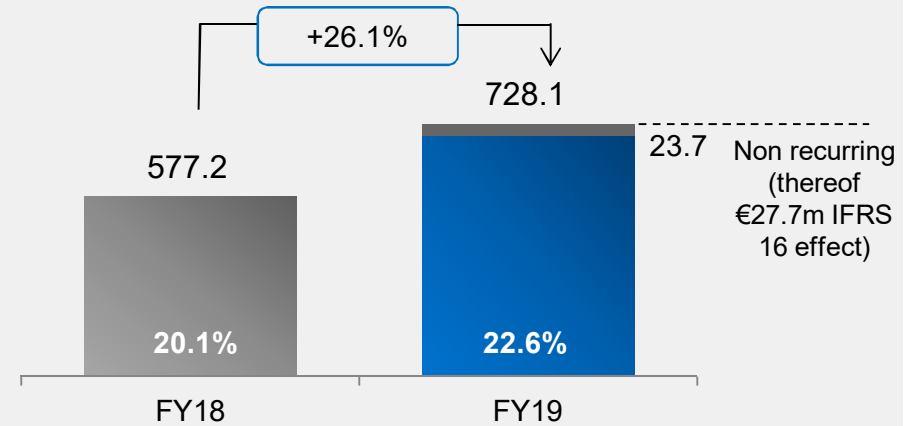
18 months from the Shareholder's Meeting approval (May 2020)

2019 Financial Highlights

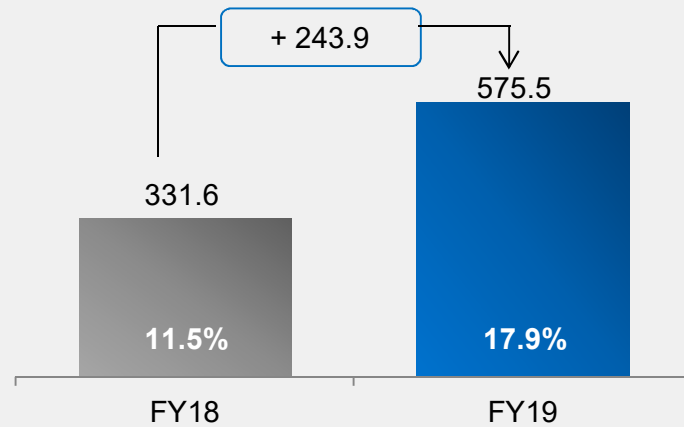
Net sales (€m)



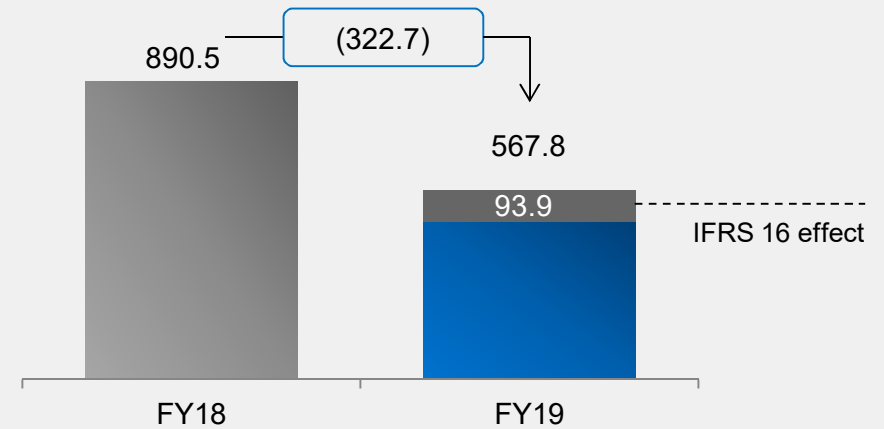
EBITDA (€m, % of sales)



Net Cash from operations (€m, % of sales)

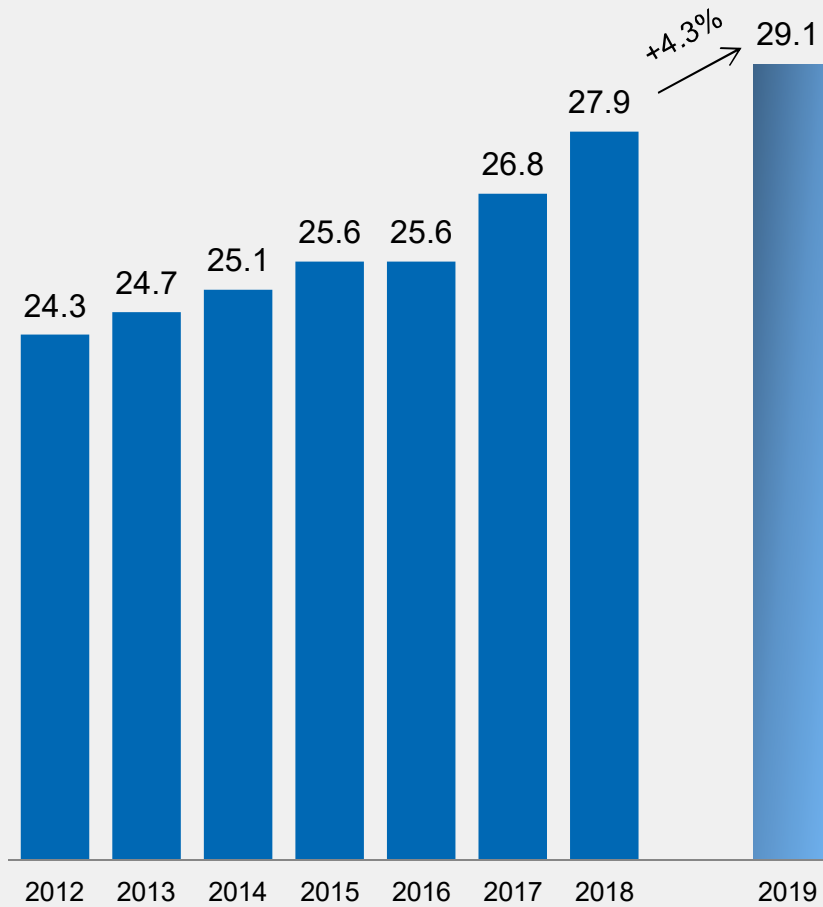


Net Debt (€m)

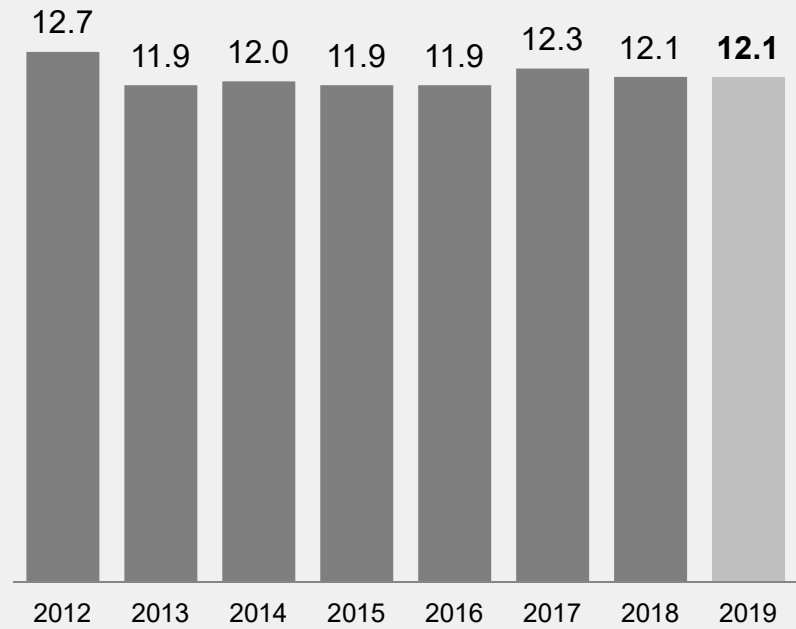


Volumes

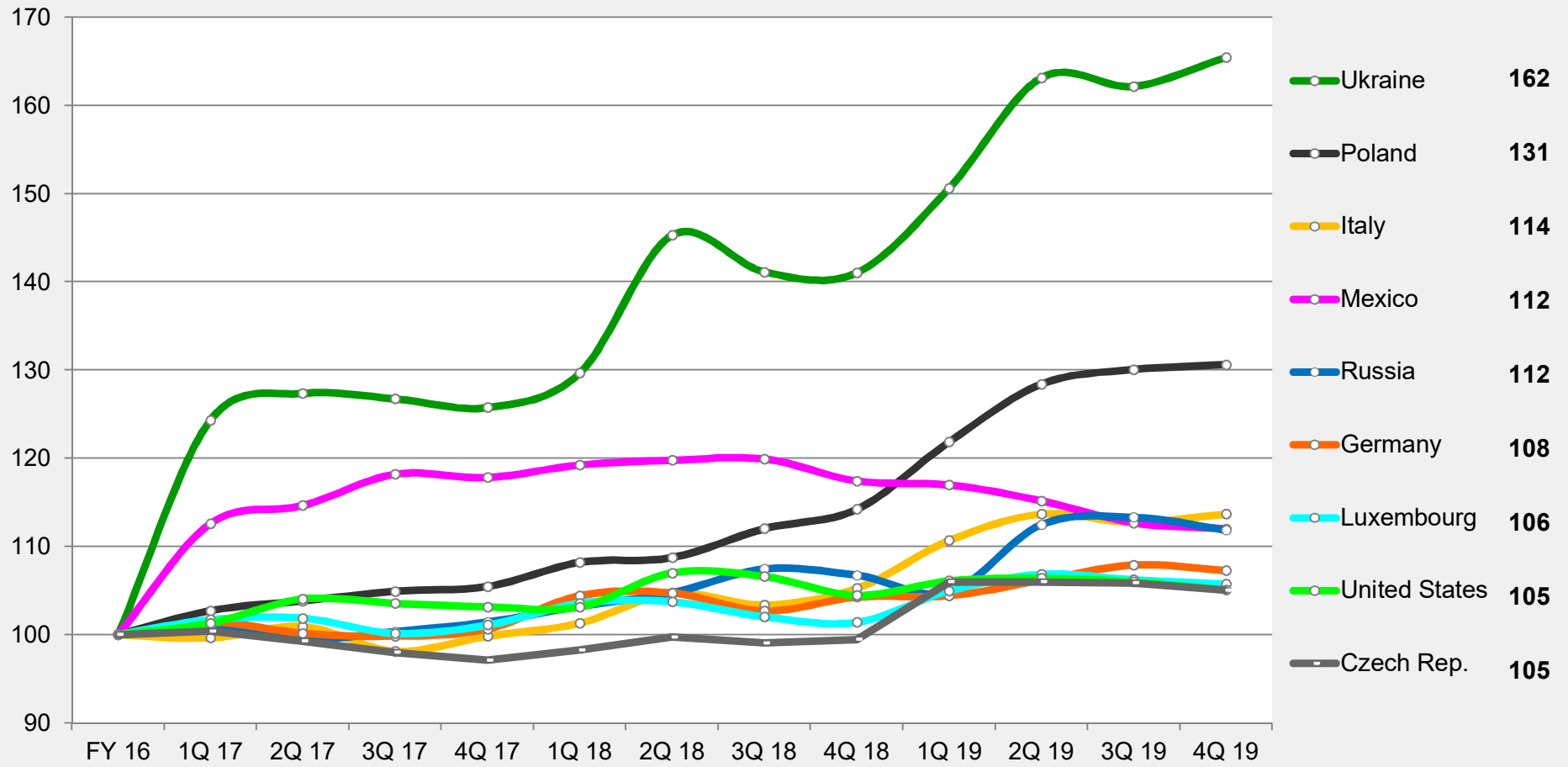
Cement (m ton)



Ready-mix concrete (m m3)










Price Index by country



In local currency; FY16 = 100

FX changes

		2019	2018	Δ	Current
EUR 1 =		avg	avg	%	
	USD	1.12	1.18	+5.2	1.09
	RUB	72.46	74.04	+2.1	80.69
	UAH	28.92	32.11	+9.9	29.69
	CZK	25.67	25.65	-0.1	26.90
	PLN	4.30	4.26	-0.8	4.56
	MXN	21.56	22.71	+5.1	26.03
	BRA	4.41	4.31	-2.4	5.60

Results by Geographic Area | Italy & United States of America

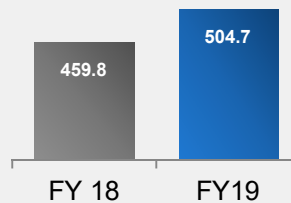
Italy



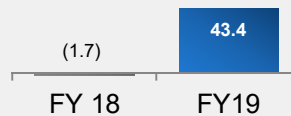
HIGHLIGHTS

- Growth and results driven by increase in volumes, thanks to scope change, and average prices still improved
- Other operating revenues of 23.8 €m from CO₂ emission rights sale within the group.
- 16% of consolidated net sales and 6% EBITDA

Net sales (€m)



EBITDA (€m)



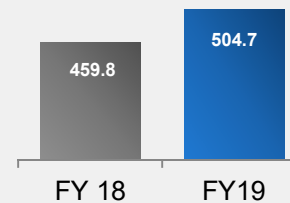
USA



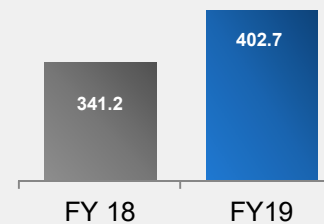
HIGHLIGHTS

- Results supported by favorable weather conditions and the appreciation of the dollar
- Average prices in local currency slight improved
- Ready-Mix concrete output recorded marked progress (+16.5% YoY in sales)
- 39% of consolidated net sales and 55% of EBITDA

Net sales (€m)



EBITDA (€m)



Results by Geographic Area | Central & Eastern Europe

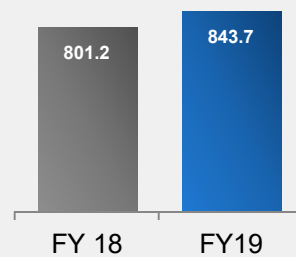
Central Europe



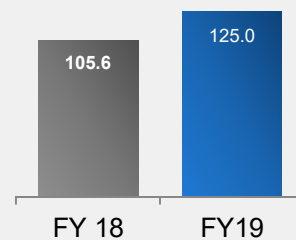
HIGHLIGHTS

- Progress in Germany thanks to the additional contribution from Seibel&Sohne plant. Luxembourg stable;
- Average selling prices improved
- 26% of consolidated net sales and 17% of EBITDA

Net sales (€m)



EBITDA (€m)



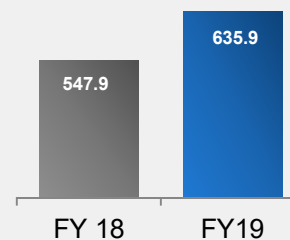
Eastern Europe



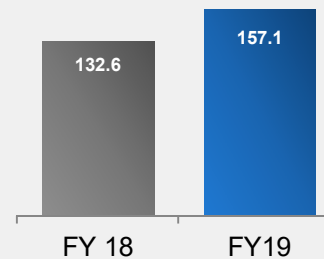
HIGHLIGHTS

- Results driven by the progress in Ukraine and Russia (volumes increase) and the stabilization in Poland and Czech Republic;
- Average selling prices in local currency improved
- 20% of consolidated net sales and 22% of EBITDA

Net sales (€m)



EBITDA (€m)



Results by Geographic Area | Mexico & Brazil (consolidated at equity)

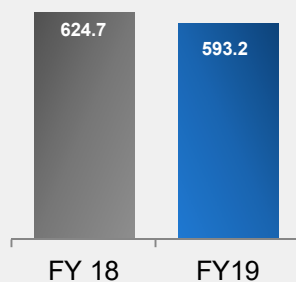
Mexico



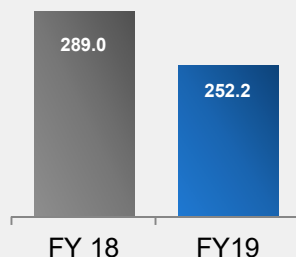
HIGHLIGHTS

- Sales marginally recovered in the second half of the year, after a clear drop in the H1.
- Average selling prices in local currency declined
- Positive impact from the appreciation of the Mexican peso

Net Sales (€m) – 100%



EBITDA (€m) - 100%



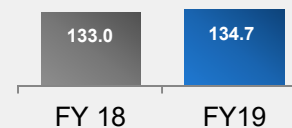
Brazil



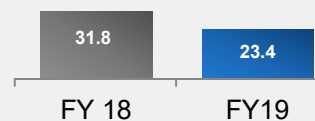
HIGHLIGHTS

- Positive development mainly thanks to the contribution of the Northeast region. Average selling prices in local currency marginally improved
- Negative impact from the depreciation of the Brazilian real
- Lfl recurring EBITDA +16.7% in 2019











Net sales (€m) – 100%













EBITDA (€m) - 100%



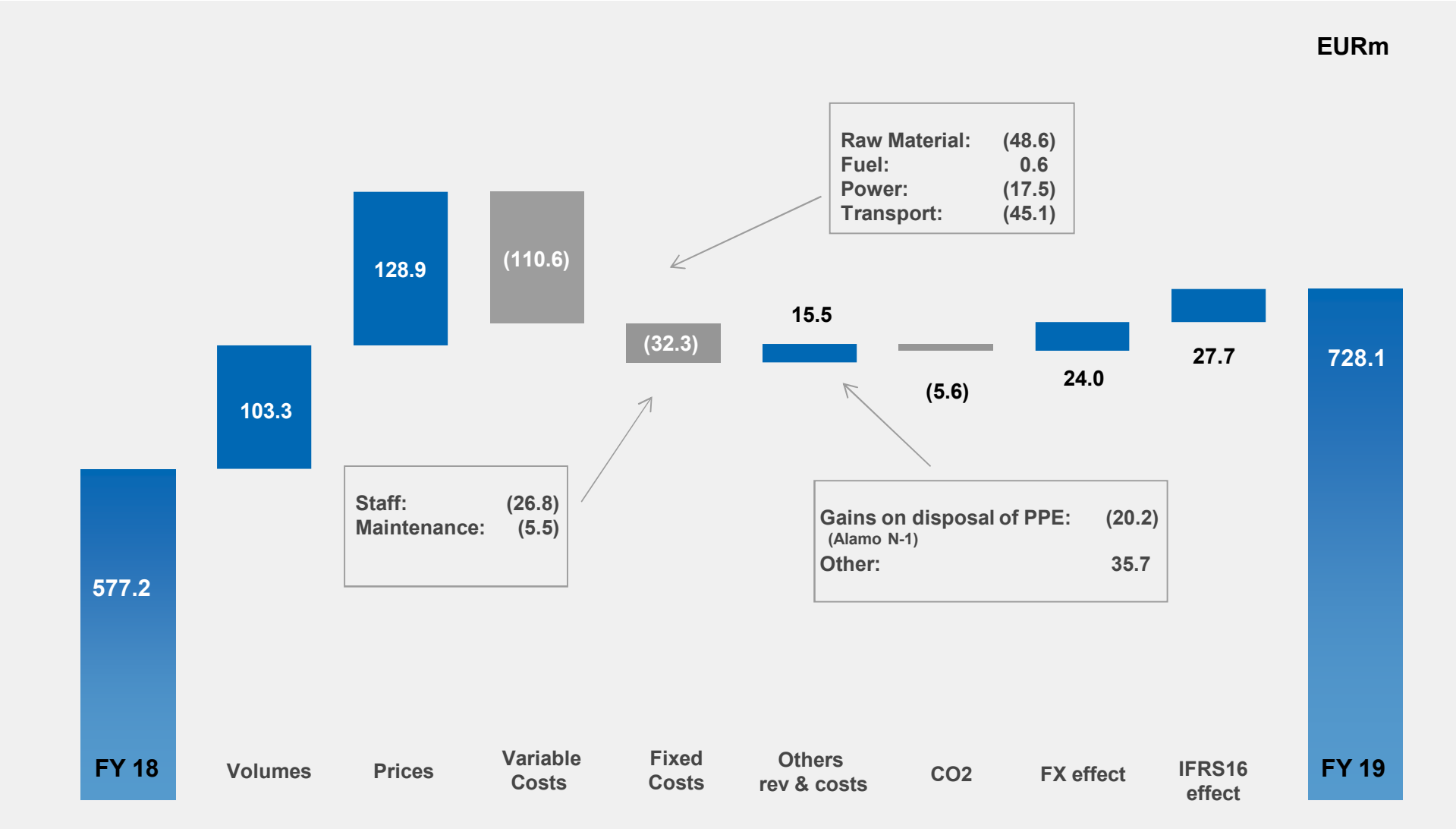
Net Sales by country

	2019	2018	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	504.7	459.8	44.9	+9.8	-	10.3	+7.5
 United States	1,242.5	1,069.6	172.9	+16.2	64.7	-	+10.1
 Germany	679.6	632.5	47.2	+7.5	-	10.2	+5.9
 Lux / Netherlands	192.5	197.2	(4.7)	-2.4	-	-	-2.4
 Czech Rep / Slovakia	168.2	164.5	3.6	+2.2	-0.1	-	+2.3
 Poland	123.8	111.4	12.4	+11.1	-1.0	-	+12.1
 Ukraine	131.9	88.3	43.6	+49.3	13.1	-	+34.5
 Russia	214.5	185.5	29	+15.6	4.6	-	+13.2
<i>Eliminations</i>	<i>(36.1)</i>	<i>(35.2)</i>					
Total	3,221.4	2,873.5	348	+12.1	81.2	20.5	+8.6
 Mexico (100%)	593.2	624.7	(31.5)	-5.0	+30.0	-	-9.8
 Brazil (100%)	134.7	133.0	1.7	+1.3	-3.3	-	+3.8

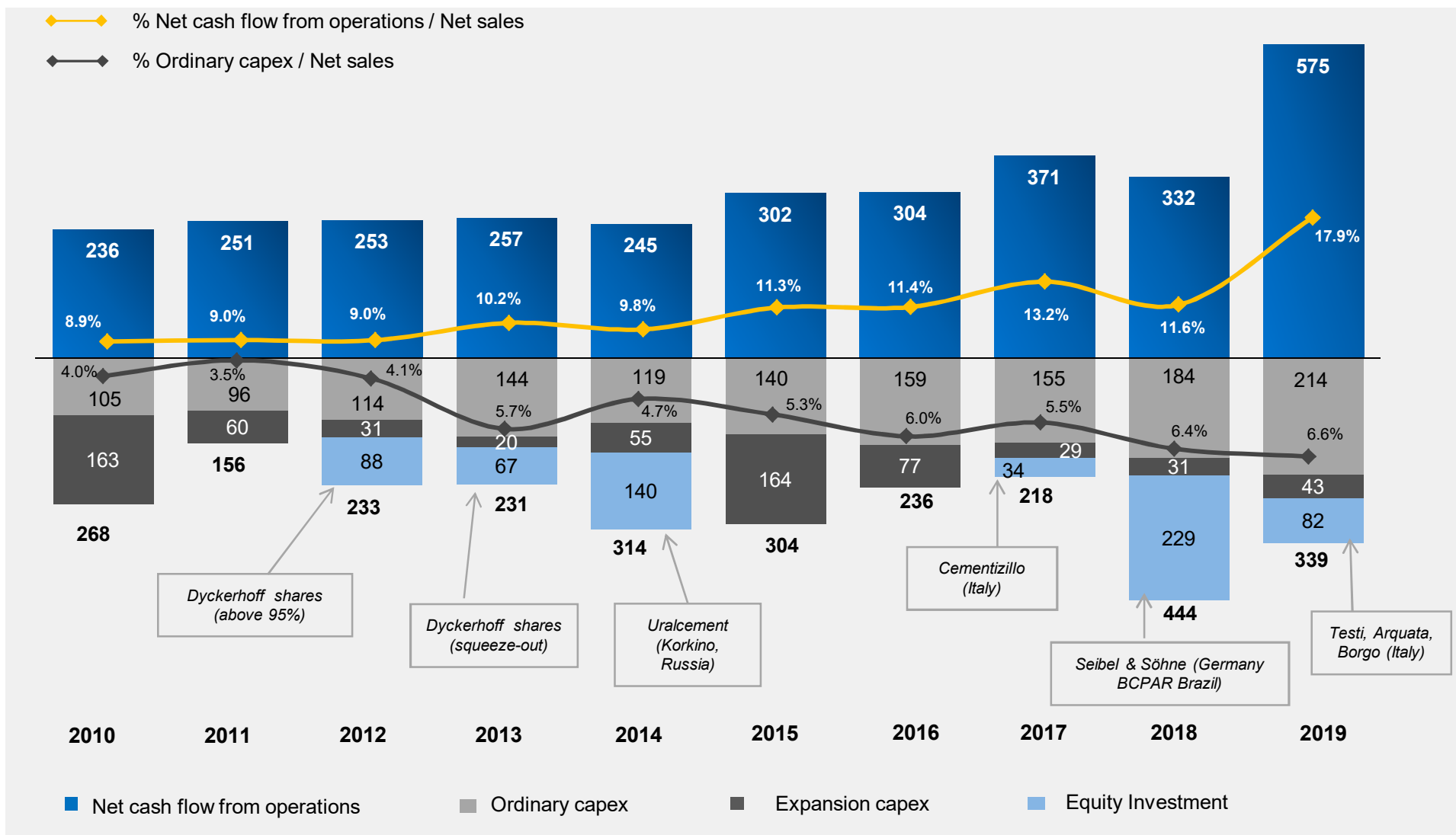
EBITDA by country

	2019	2018	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	43.4	(1.7)	45.1	>100	-	-4.0	> 100
 United States	402.7	341.2	61.5	+18.0	21.0	-	+11.9
 Germany	102.3	82.5	19.8	+24.0	-	1.2	+22.6
 Lux / Netherlands	22.7	23.1	(0.4)	-1.6	-	-	-1.6
 Czech Rep / Slovakia	46.3	43.6	2.7	+6.3	-0.1	-	+6.4
 Poland	32.1	31.9	0.3	+0.9	-0.3	-	+1.7
 Ukraine	21.0	7.0	14.0	>100	2.1	-	>100
 Russia	57.7	50.1	7.5	+15.0	1.2	-	+12.6
<i>Eliminations</i>	(0.2)	(0.4)	0.2				
Total	728.1	577.2	150.9	+26.1	24.0	-2.8	+22.5
 Mexico (100%)	252.2	289.0	(36.7)	-12.7	12.8	-	-17.1
 Brazil (100%)	23.4	31.8	(8.4)	-26.6	-0.6	-	-24.8

EBITDA variance analysis



Net Cash Flow from Operations and Capex Development | €m



Consolidated Income Statement

	2019	2018	Δ	Δ
EURm			abs	%
Net Sales	3,221.4	2,873.5	348.0	+12.1
EBITDA	728.1	577.2	150.9	+26.1
of which, non recurring	(23.7)	(8.7)		
% of sales (recurring)	21.9%	19.8%		
Depreciation and amortization	(259.9)	(225.4)	(34.5)	
Operating Profit (EBIT)	468.2	351.8	116.4	+33.1
% of sales	14.5%	12.2%		
Equity earnings	72.3	88.7	(16.4)	
Net finance costs	(58.6)	24.7	(83.4)	
Profit before tax	482.0	465.3	16.7	+3.6
Income tax expense	(96.0)	(82.5)	(13.5)	
Net profit	385.9	382.8	3.2	+0.8
Minorities	(0.2)	(0.6)	0.4	
Consolidated net profit	385.7	382.1	3.5	+0.9




Finance cost details

	2019	2018	Δ	Δ
EURm			abs	%
Interest expense	(31.9)	(50.7)	18.8	
Interest income	12.9	13.2	(0.3)	
Net interest expense	(19.0)	(37.5)	18.5	+49.3
Forex gains (losses)	(19.6)	(3.9)		
Derivatives valuation	8.9	82.6		
Interes costs of pension funds	(9.6)	(9.1)		
Other	(19.3)	(7.2)		
Net finance costs	(58.6)	24.7	(83.3)	
Cost of gross debt at year end ~	1.95%	2.02%		

Consolidated Cash Flow Statement

EURm	2019	2018
Cash generated from operations	691.5	453.4
% of sales	21.5%	15.8%
Interest paid	(31.7)	(45.4)
Income tax paid	(84.3)	(76.4)
Net cash by operating activities	575.5	331.6
% of sales	17.9%	11.5%
Capital expenditures	(257.1)	(215.3)
IFRS 16 leasing	(93.9)	-
Equity investments	(82.3)	(228.5)
Purchase of treasury shares	-	(118.7)
Repayment Convertible bond	94.8	-
Dividends paid	(26.8)	(28.6)
Dividends from associates	84.4	80.9
Disposal of fixed assets and investments	12.4	45.2
Translation differences and derivatives	5.4	90.1
Accrued interest payable	0.3	3.5
Interest received	13.5	14.4
Change in consolidation area and other	(3.4)	(2.6)
Change in net debt	322.7	(28.0)
Net financial position (end of period)	(567.8)	(890.5)

Analysis of Net Debt

EURm		Debt	Cash
	Italy	1,160.0	252.9
	Germany*	106.6	291.3
	USA	-	293.3
	Leasing + other	138.7	-
	Group Total	1,405.3	837.5

* incl. affiliates

Net Debt	567.8
EBITDA	728.1
Nominal Debt	1,266.6
Fixed Spending *	1,257.5
Liquidity (incl. facilities)	1,158.5

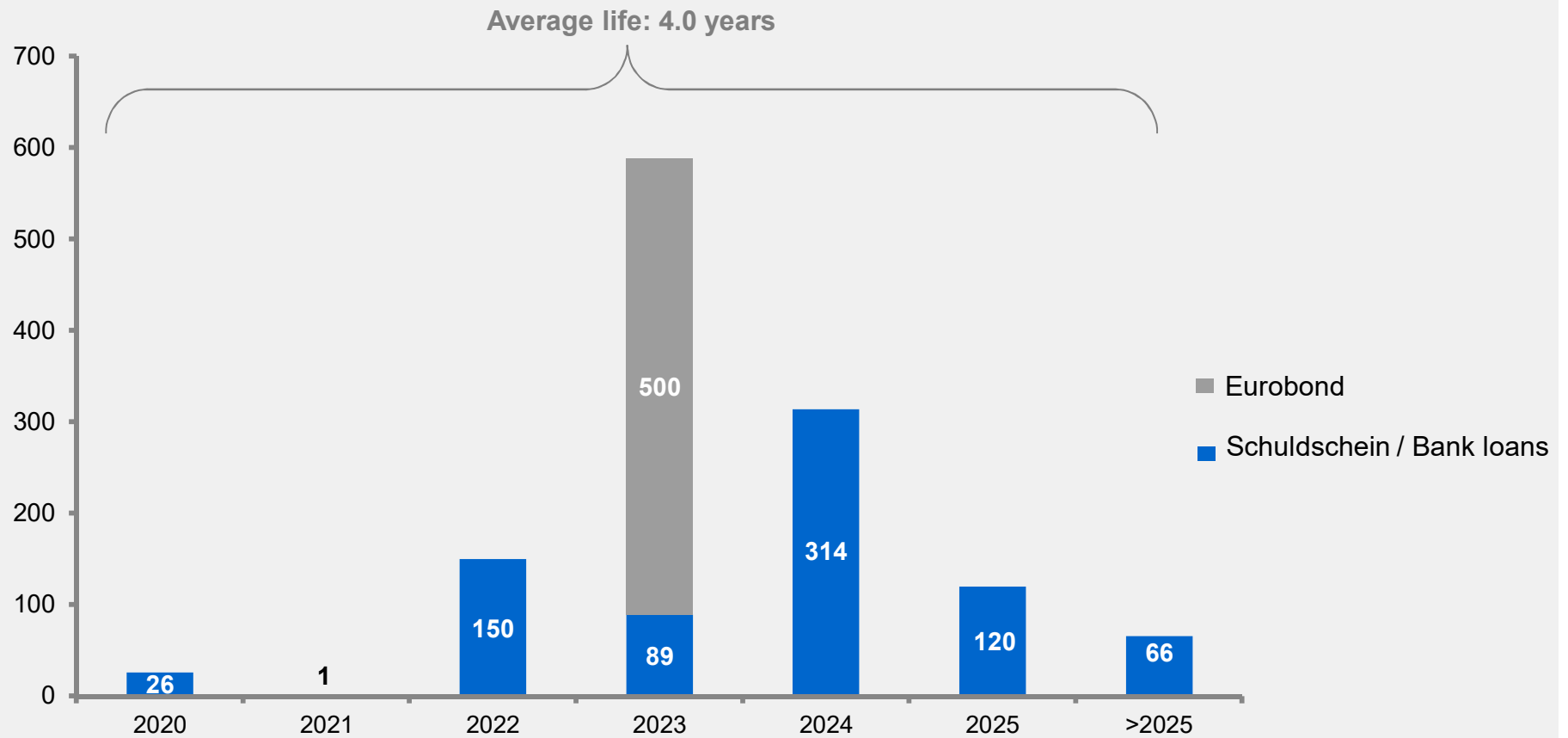
Net Debt / EBITDA	0.78
Nominal Debt / Cash	1.5
Fixed Spending / Liquidity	1.1

* (personnel and fixed service cost, interest, tax and capex)

As of 31.12.2019

Debt Maturity Profile

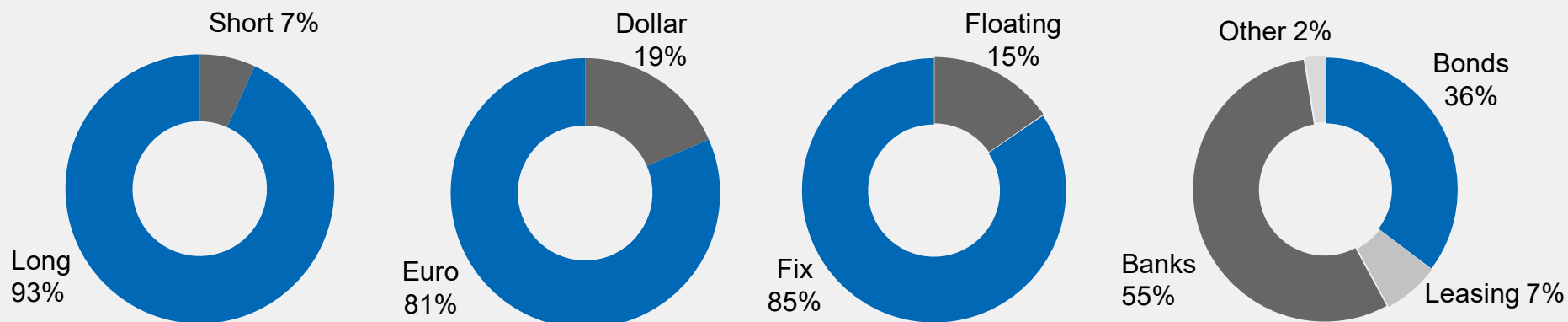
- Total nominal value of debt and borrowings (except €m 97 leasing), stood at €m 1,266 at December 2019
- As at December 2019 available €m 321m of undrawn committed facilities (€m 300 for Buzzi Unicem, €m21 for Dyckerhoff)



Net Financial Position

	Dec 19	Dec 18	Δ	Sep 19
EURm			abs	
Cash and other financial assets	840.9	450.7	390.2	706.2
Short-term debt	(72.3)	(387.1)	314.8	(144.8)
Short-term leasing	(22.5)	(0.2)	(22.3)	(22.0)
Net short-term cash	746.1	63.4	682.7	539.4
Long-term financial assets	2.9	4.3	(1.4)	3.1
Long-term debt	(1,242.1)	(956.4)	(285.7)	(1,181.0)
Long-term leasing	(74.7)	(1.7)	(72.9)	(71.7)
Net debt	(567.8)	(890.5)	322.7	(710.1)

Gross debt breakdown (1,411.6 €m)



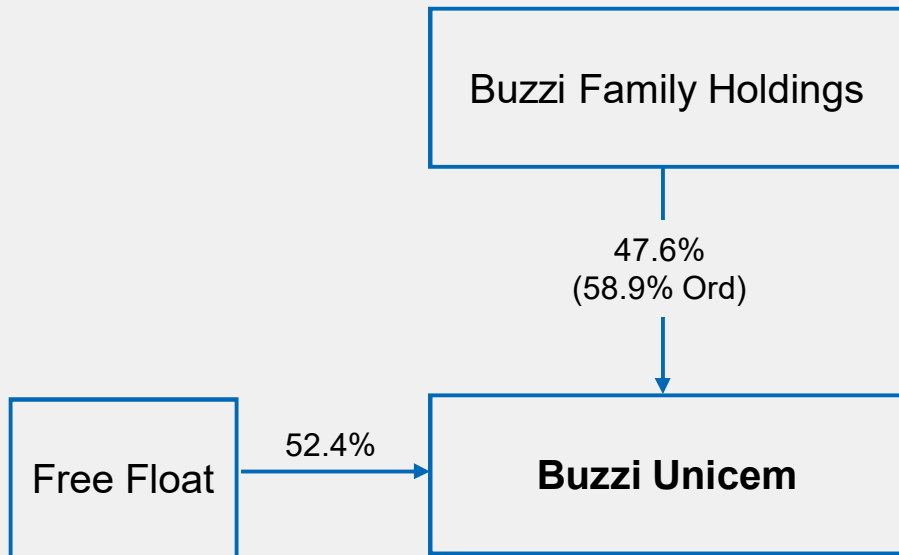
Appendix

Buzzi Unicem at a Glance

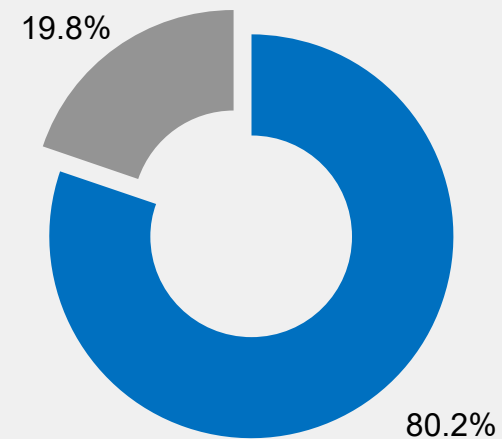
- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive 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 | Dividend Proposal



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

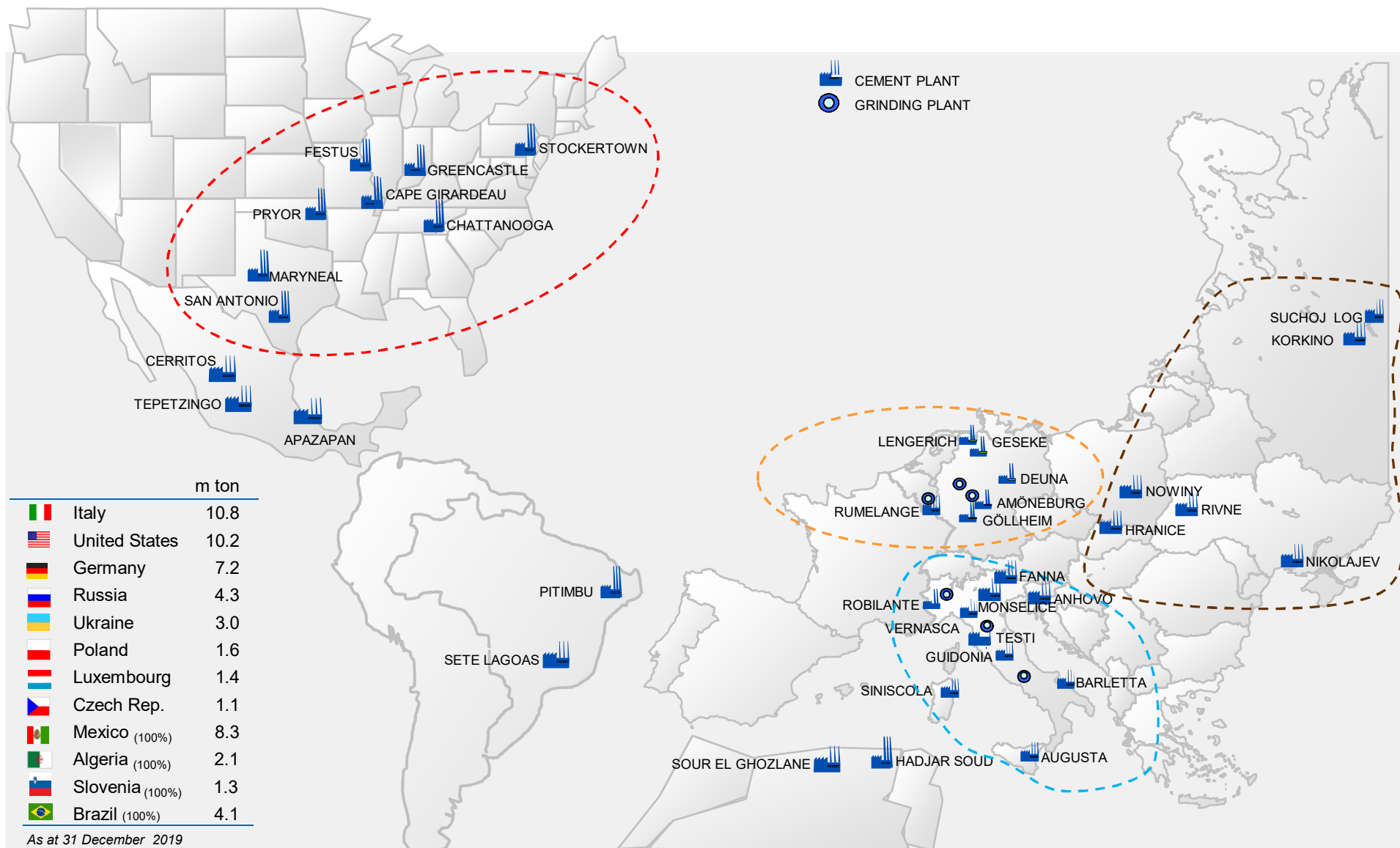


Dividend proposal to the Shareholder’s Meeting at May 8th, 2020

▶ Dividend per ordinary share	0.15 €/share
▶ Dividend per savings share	0.17 €/share

As at December 2019

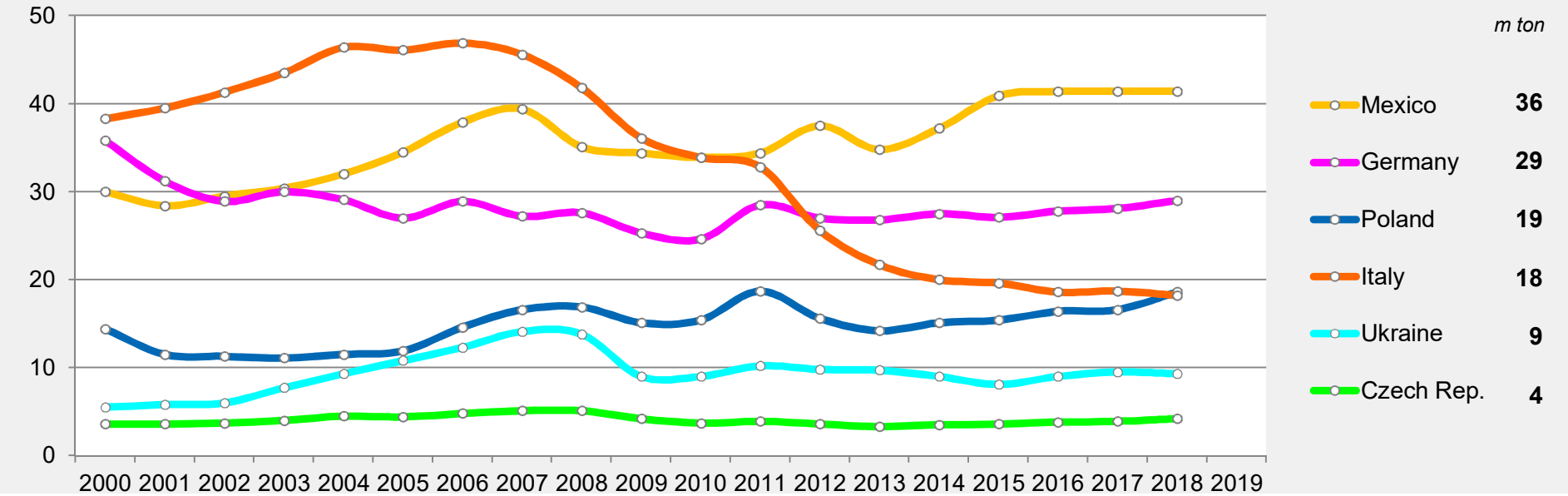
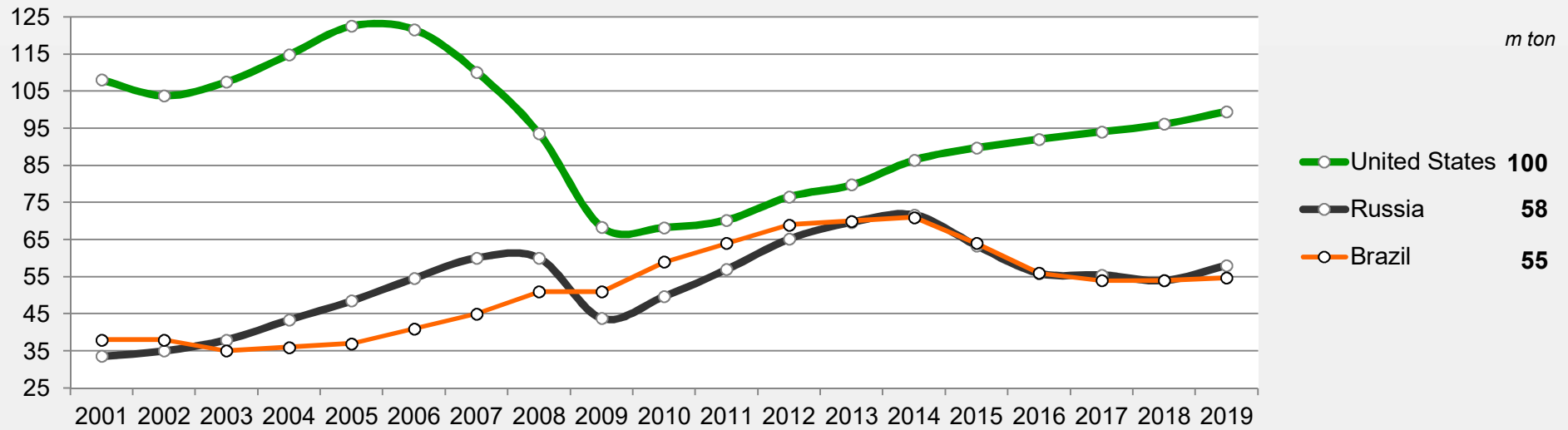
Cement plants location and capacity












2019 Consumption vs. Peak



Historical series of cement consumption by country



Historical EBITDA development by country

		2011	2012	2013	2014	2015	2016	2017	2018	2019	
	Italy	<i>EBITDA</i>	10,3	-5,9	-18,1	-18,7	-37,2	-22,2	-79,7	-1,7	43,4
		<i>margin</i>	1,8%	-1,2%	-4,2%	-4,8%	-9,8%	-5,9%	-18,6%	-0,4%	8,6%
	Germany	<i>EBITDA</i>	90,3	72,2	108,1	88,6	72,1	76,8	78,1	82,5	102,3
		<i>margin</i>	14,2%	12,0%	18,0%	14,7%	12,6%	13,4%	13,3%	13,0%	15,1%
	Lux/ Netherlands	<i>EBITDA</i>	35,0	8,3	11,5	15,9	19,7	25,8	17,6	23,1	22,7
		<i>margin</i>	15,7%	4,3%	6,3%	9,7%	11,7%	14,7%	9,4%	11,7%	11,8%
	Czech Rep/ Slovakia	<i>EBITDA</i>	35,2	25,4	19,2	27,0	32,6	34,4	36,5	43,6	46,3
		<i>margin</i>	20,5%	17,0%	14,6%	20,2%	24,0%	25,2%	24,7%	26,5%	27,5%
	Poland	<i>EBITDA</i>	36,9	21,8	27,1	18,2	22,7	23,4	24,1	31,9	32,1
		<i>margin</i>	26,6%	20,0%	26,8%	20,4%	20,4%	24,6%	24,9%	28,6%	25,9%
	Ukraine	<i>EBITDA</i>	6,9	15,8	12,3	11,0	4,0	12,8	16,0	7,0	21,0
		<i>margin</i>	6,2%	11,8%	10,0%	12,5%	5,7%	16,1%	16,9%	8,0%	15,9%
	Russia	<i>EBITDA</i>	65,7	96,1	92,6	73,4	48,4	43,2	46,0	50,1	57,7
		<i>margin</i>	37,4%	41,0%	37,2%	35,0%	29,0%	28,0%	24,9%	27,0%	26,9%
	USA	<i>EBITDA</i>	71,4	123,9	151,0	207,3	311,7	356,5	369,6	341,2	402,7
		<i>margin</i>	12,8%	18,2%	20,7%	24,2%	28,1%	31,9%	33,0%	31,9%	32,4%
	Mexico	<i>EBITDA</i>	82,6	97,5	77,5	<i>Adoption of IFRS 11</i>					
		<i>margin</i>	34,7%	36,2%	33,2%						
	Group	<i>EBITDA</i>	434,3	455,1	481,2	422,7	473,2	550,6	508,2	577,2	728,1
		<i>margin</i>	15,6%	16,2%	17,5%	16,9%	17,8%	20,6%	18,1%	20,1%	22,6%

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