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Testo del comunicato

Vedi allegato.

PRESS RELEASE

Cementir Holding: Board of Directors examines preliminary consolidated results for 2020 and approves the 2021-2023 Industrial Plan update

- **Revenue at the record level of EUR 1,224.8 million, up by 1.1% compared to 2019**
- **Cement volumes up 12.9% on 2019 thanks to Turkey**
- **EBITDA: EUR 263.7 million unchanged from 2019**
- **EBIT up by 3.6% to EUR 157.2 million**
- **Net financial debt down to EUR 122.2 million (EUR 239.6 million at 31 December 2019)**
- **2023 Industrial Plan targets: revenue to around EUR 1.47 billion, EBITDA at around EUR 340 million, Net cash position of about EUR 250 million**
- **Green capex increased to EUR 107 million; CO_2 emissions targets by 2030 are confirmed**

Rome, 4 February 2021 – The Board of Directors of Cementir Holding N.V., chaired by Francesco Caltagirone Jr., today examined the preliminary unaudited consolidated results as at 31 December 2020.

Please note that the complete, definitive results for 2020 are currently being reviewed by the external auditor and will be examined and approved by the Board of Directors at its meeting scheduled for 9 March.

Financial highlights

(Euro millions)	**2020**	**2019**	**Change %**
Revenue from sales and services	1,224.8	1,211.8	1.1%
EBITDA	263.7	263.8	-0.0%
EBITDA/Revenue from sales and services %	*21.5%*	*21.8%*	
EBIT	157.2	151.7	3.6%

Sales volumes

('000)	**2020**	**2019**	**Change %**
Grey, White cement and Clinker (metric tonnes)	10,712	9,489	12.9%
Ready-mixed concrete (m^3)	4,435	4,116	7.8%
Aggregates (metric tonnes)	9,531	9,710	-1.8%

Net financial debt

(millions of euros)	31-12-2020	30-09-2020	30-06-2020	31-12-2019
Net financial debt	122.2	218.5	280.6	239.6

Group employees

	31-12-2020	30-09-2020	31-12-2019
Number of employees	2,995	3,009	3,042

"In 2020, despite the serious pandemic, the Group showed significant resilience with a 12.9% increase in cement volumes sold and revenue reaching the historical record. On a recurring basis, EBITDA increased by 2.2%, EBIT was up 3.6% and yearly cash generation was EUR 118.8 million" commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

During 2020, cement and clinker **sales volumes** reached 10.7 million tonnes, up by 12.9% compared to 2019. The increase is mainly attributable to performance in Turkey, with cement volumes up 39%.

Sales volumes of ready-mixed concrete, equal to 4.4 million cubic metres, were up by 7.8% mainly due to the increase in Turkey and, to a lesser extent, in Sweden.

In the aggregates segment, sales volumes amounted to 9.5 million tonnes, down by 1.8% as a result of the increase in Denmark and Sweden offset by the contraction in Belgium and France due to the pandemic.

Group **revenue** reached the historical record of EUR 1,224.8 million, up 1.1% compared to EUR 1,211.8 million in 2019. Revenue recorded a positive performance in Turkey and Egypt while were stable or down in all other regions.

At constant 2019 exchange rates, revenue would have reached EUR 1,269.3 million, up by 4.7% on the previous year.

EBITDA reached EUR 263.7 million, unchanged with respect to the EUR 263.8 million of 2019. At constant exchange rates with the previous year, EBITDA would have reached EUR 267.0 million.

In 2020 EBITDA includes non-recurring income of EUR 0.6 million, including EUR 6.1 million of charges related to some equipment disposal in Turkey, the execution of a settlement and other legal charges and EUR 6.7 million of non-recurring income related to the revaluation of land and buildings in Turkey (non-recurring income of EUR 6.4 million in 2019).

Excluding non-recurring items, EBITDA would have increased by 2.2% compared to 2019, benefitting from an improvement in Turkey, Denmark, Egypt, China and Sweden whereas a negative performance was recorded in Belgium, United States and Malaysia.

The EBITDA margin was 21.5% compared to 21.8% in 2019.

EBIT, considering EUR 106.6 million of amortization, depreciation, impairment losses and provisions (EUR 112.1 million in 2019), amounted to EUR 157.2 million, up 3.6% compared to EUR 151.7 million in the previous year. Amortization, depreciation, write-downs and provisions include EUR 1.3 million for assets impairment and EUR 1.0 million for risk provisions. There are no inventory impairment losses or risks provisions because of the Covid-19 pandemic.

At constant exchange rates with the previous year, EBIT would have reached EUR 157.3 million.

Net financial debt as at 31 December 2020 was EUR 122.2 million, a reduction of EUR 117.4 million compared to EUR 239.6 million as at 31 December 2019. The debt position due to accounting standard IFRS 16 was equal to EUR 85.3 million compared to EUR 83.9 million as at 31 December 2019. Net of this impact, net financial debt declined by EUR 118.8 million.

Such change was due to net working capital dynamics, careful management of investments which amounted to EUR 55.7 and financial management. The result was also affected by a EUR 30.9 million dividend distribution, around EUR 4.5 million spent for the purchase of treasury shares, as well as the settlement of previous transactions, during the first quarter of the year.

Performance in the fourth quarter of 2020

Financial highlights

(Euro millions)	Oct-Dec 2020	Oct-Dec 2019	Change %
Revenue from sales and services	328.0	305.7	7.3%
EBITDA	85.7	82.0	4.5%
EBITDA/Revenue from sales and services %	*26.1%*	*26.8%*	
EBIT	59.5	48.3	23.2%

Sales volumes

(‘000)	Oct-Dec 2020	Oct-Dec 2019	Change %
Grey, White cement and Clinker (metric tonnes)	3,011	2,567	17.3%
Ready-mixed concrete (m^3)	1,312	1,055	24.4%
Aggregates (metric tonnes)	2,490	2,367	5.2%

In the fourth quarter of 2020, **sales volumes** of cement and clinker, equal to 3.0 million tonnes, were up 17.3% compared to the fourth quarter of 2019. The increase is attributable to all geographical areas with a significant contribution from Turkey (+28.6%).

Sales volumes of the ready-mixed concrete, equal to 1.3 million cubic metres, were up by 24.4% thanks to the positive trend in Turkey, Nordic & Baltic and Belgium.

In the aggregates sector, sales volumes amounted to 2.5 million tonnes, up 5.2% in the quarter for the positive contribution of the Nordic & Baltic area.

Revenue from sales was EUR 328.0 million, up 7.3% compared to EUR 305.7 million in the fourth quarter of 2019, with a further acceleration versus 2020 third quarter’s growth. Trading has been positive in all geographical areas with the exception of Norway.

EBITDA, equal to EUR 85.7 million, increased by 4.5% compared to EUR 82.0 million of the fourth quarter of 2019 driven by Turkey, Nordic & Baltic, Egypt and Belgium.

EBIT amounted to EUR 59.5 million up 23.2% on EUR 48.3 million of the fourth quarter of 2019, in acceleration compared to the third quarter of 2020.

Update on Covid-19

During the Covid-19 pandemic, management's priority has always been the health and safety of its employees in all company sites.

Although the pandemic caused different impacts on the various countries in which the Group operates, the results achieved demonstrates the strength and the resilience of the business model as well as our organization's ability to react.

With regards to the actions undertaken to tackle the pandemic, reference is made to previous press releases.

2021- 2023 Industrial Plan update

The Board of Directors has also reviewed and approved the three-year Group Industrial Plan update for the period 2021-2023 and 2021 budget. In continuity with the previous one, the Plan confirms and reinforces our sustainable growth strategy focused on green investments, aimed at reducing the environmental impact, leveraging on product innovation, the digitalization of industrial processes and on further improvement of profitability and operating efficiency.

The Industrial Plan is based on the following **strategic priorities**:

- **Sustainability**
    - To achieve the European climate targets, Cementir has set a CO_2 emissions reduction target of around 30% by 2030, with emissions below 500 kg per ton of grey cement. Under the future European Taxonomy criteria, white cement emissions are not included.

      This objective will be achieved through a further acceleration of investments for a greater use of alternative fuels and renewable resources, the reduction of thermal energy consumption and clinker ratios, the offer of innovative products and the commercial launch of Futurecem™.

      The Group is planning investments in sustainability and digitalization for approximately EUR 107 million over the three-year period (approximately EUR 100 million in the previous 2020-2022 Plan). Major investments will be made in Denmark for the construction of a new calcination plant aimed at the production of Futurecem™, the installation of wind turbines with an installed capacity of 8.4 MW, district heating allowing an extension of district heating supply from 36 thousand to over 50 thousand households, and other energy efficiency projects. Significant investments are also planned in the Belgian plant's kiln to increase alternative fuels use from the current 40% to 80%, as well as investments for the use of natural gas and biogas in some of the Group's plants.
- **Innovation**
    - Production of new cement types based on Futurecem™ technology, developed and patented by Cementir, which enables a reduction of clinker content and consequently of CO_2 emissions;
    - Development of high value-added products and innovative applications including Ultra-High-Performance Concrete (UHPC), Glass-Fiber Reinforced Concrete (GFRC) and 3D printing.
- **Improve competitiveness**
    - Continuation of digitalization program of industrial processes in cement plants through new digital technologies. Digital transformation focuses on the whole value chain, from procurement to production, maintenance and logistics processes;

- Initiatives aimed at improving efficiency and containing costs in all geographic areas, with particular attention to lean manufacturing, logistics and maintenance.

- **Growth and positiong**
  - Further consolidation of white cement leadership through a series of specific actions to strengthen the position in main strategic markets;
  - Improve our industrial and competitive presence, even seeking new acquisition opportunities in core business;
  - Expand activities of our trading company Spartan Hive, with rising trading volumes over the three-year period, which will help to optimize procurement and logistics of raw materials, fuel, spare parts and finished goods.

- **Human capital**
  - Development of human capital and enhancement of internal skills and professional abilities, through an integrated human-resources assessment and development system designed to deliver personal growth as a competitive advantage and to improve individual and organizational performance.

Plan 2021-2023: main performance and financial targets

The Plan envisages the achievement of the following targets in 2023:

(EUR million)	**Actual 2020**	**Target 2023**
Revenue (billion)	1.22	around 1.47
EBITDA	263.7	around 340
Average yearly capex (excluding green capex)	55.4	66
Cumulative Green capex 2021-2023	2.5	107
(Net financial debt) / Net cash end period	-122.2	around +250
Net financial debt / EBITDA (%)	-0.5x	0.7x-0.8x

- **Cumulative Green capex during the Plan period of EUR 107 million,** for specific sustainability projects enabling CO_2 emissions reduction in line with Group's objectives and positive EBITDA impact of around EUR 30 million starting from 2023.

- **Revenue to reach EUR 1.47 billion**, with an annual average growth (CAGR) of about 6.3%, showing an acceleration versus 2020-2022. The Group expects sales volumes to increase of both grey and white cement as well as of ready-mixed concrete in all geographical areas, with prices in line with the relevant market trends and a favorable cement price trend in Turkey. Significant growth is also expected in the aggregates sector also due to the start-up of a quarry business in Turkey.

- **EBITDA to reach around EUR 340 million**, with an annual average growth (CAGR) of about 8.8% and an EBITDA margin to around 23% in 2023. EBITDA is expected to grow in all geographical areas, particularly in Turkey and in Belgium, as a result of the decline in 2020 due to COVID-19. The Group expects that in 2023 investments in digitalization started in 2019 will contribute around EUR 15 million to EBITDA and sustainability investments further EUR 15 million. Among the Plan assumptions there is an increase in the cost of fuel and electricity and a CO_2 cost of around EUR 30/t, to be absorbed by cement price increases.

- **Annual capex of approximately EUR 66 million** directed towards developing production capacity, maintaining plant efficiency and safety.

The expected cash generation driven by improved results and working capital optimization will allow to reach a net cash position already in 2022, which is expected to reach approximately EUR 250 million at the end of the Plan.

Finally, the Plan assumes dividends in line with 2020 for the entire three-year period.

Outlook for 2021

For the year 2021, the Group expects to achieve consolidated revenues of approximately EUR 1.3 billion, EBITDA between EUR 285 and 295 million and net financial debt of approximately EUR 30 million at the end of the period, including investments of approximately EUR 95 million.

This forward-looking indication does not include any new situations of resurgence of the Covid-19 pandemic in the coming months.

The foregoing reflects the view of the company's management only, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. It should therefore not be taken as a forecast on future market trends and of any financial instruments concerned.

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Preliminary results for 2020 and 2021-2023 Industrial Plan update will be presented to the financial community in a **conference call** to be held today, Thursday 4 February, at 5.30 pm (CET). Dial-in numbers are as follows:

Italy: +39 02 802 09 11	USA: +1 718 7058796
UK: + 44 1 212 81 8004	USA (freephone): 1 855 2656958

The supporting presentation will be made available on the website *www.cementirholding.com* in the Investors section before the start of the conference call.

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.

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 6064293/2006, as the sum of the items:*
  - *current financial assets;*
  - *cash and cash equivalents;*
  - *Current and non-current liabilities.*
- *Net capital invested: calculated as the total amount of non-financial assets, net of non-financial liabilities.*

CEMENTIR HOLDING N.V. *is an international manufacturer of grey and white cement, ready-mixed concrete, aggregates and concrete products, exporting to over 70 countries worldwide. As global leader in white cement, the Group employs approximately 3,000 people in 18 countries.*

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