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Oggetto : Board of Directors approves consolidated
results as of 31 March 2021

Testo del comunicato

Vedi allegato.

PRESS RELEASE

Cementir Holding: Board of Directors approves consolidated results as of 31 March 2021

- **Revenue: EUR 300.5 million (up 12.6% on EUR 266.9 million in the first quarter of 2020)**
- **EBITDA: EUR 48.1 million (up 49.4% on EUR 32.2 million in the first quarter of 2020)**
- **EBIT: EUR 21.0 million (up 310.1% on EUR 5.1 million in the first quarter of 2020)**
- **Profit before taxes: EUR 15.6 million (loss of EUR 5.0 million in the first quarter of 2020)**
- **Net financial debt: EUR 167.8 million (EUR 122.2 million at 31 December 2020)**
- **Targets for the year are confirmed**

Rome, 5 May 2021 – The Board of Directors of Cementir Holding N.V. today examined and approved the consolidated unaudited results for the first quarter of 2021.

Financial highlights

(Euro millions)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales and services	300.5	266.9	12.6%
EBITDA	48.1	32.2	49.4%
<i>EBITDA/Revenue from sales and services %</i>	<i>16.0%</i>	<i>12.1%</i>	
EBIT	21.0	5.1	310.1%
Net financial income (expense) and share of net profits of equity-accounted investees	(5.4)	(10.1)	-46.6%
Profit before taxes	15.6	(5.0)	-

Sales volumes

('000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Grey, White cement and Clinker (metric tonnes)	2,393	2,037	17.5%
Ready-mixed concrete (m ³)	1,126	904	24.6%
Aggregates (metric tonnes)	2,343	2,185	7.2%

Net financial debt

(millions of euros)	31-03-2021	31-12-2020	31-03-2020
Net financial debt	167.8	122.2	322.3

Group employees

	31-03-2021	31-12-2020	31-03-2020
Number of employees	3,079	2,995	3,045

“In the first quarter of 2021, the Group reported results above our expectations, with Revenues up by over 12%, EBITDA by 49% and EBIT by over 300% compared to the same period of 2020. These results reflect the resumption of all operating activities and in particular those in Turkey, Belgium and Denmark” commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

In the first three months of 2021, cement and clinker **sales volumes** of 2.4 million tonnes were up 17.5% compared to 2020. The increase is attributable to the performance in Turkey, Belgium and Denmark.

Sales volumes of ready-mixed concrete, equal to 1.1 million cubic metres, were up by 24.6% mainly due to the increase in Turkey and, to a lesser extent, in Belgium, Denmark and Sweden.

In the aggregates sector, sales volumes amounted to 2.3 million tonnes, up 7.2% with increases in Denmark, Sweden, Belgium and France.

Group revenue reached EUR 300.5 million, up 12.6% compared to EUR 266.9 million in the first quarter of 2020. At constant 2020 exchange rates, revenue would have reached EUR 313.0 million, up 17.3% on the same period of the previous year.

Operating costs of EUR 256.6 million increased by 7.8% compared to EUR 237.9 million in the first quarter of 2020.

The **cost of raw materials** amounted to EUR 123.7 million (EUR 102.8 million in Q1 2020), up due to higher business volumes mainly in Turkey, Denmark and Belgium as well as the generalised increase in fuel prices on international markets.

Personnel costs, equal to EUR 46.8 million, were down 4.8% compared to EUR 49.2 million in the first quarter of 2020, which included one-off charges.

Other operating costs of EUR 86 million were in line with the same period in 2020.

EBITDA reached EUR 48.1 million, an increase of 49.4% compared to EUR 32.2 million in the first quarter of 2020 as consequence of better results in Belgium, Turkey, Denmark and, to a lesser extent, in Asia Pacific and Egypt. It is noted that in the first quarter of 2020 results were affected by the start of the global Covid 19 pandemic as well as by EUR 2.5 million of non-recurring expenses.

EBITDA margin as a percentage of revenue stood at 16.0%, showing an increase in industrial profitability compared to the first quarter of 2020 (12.1%).

At constant 2020 exchange rates, EBITDA would have been EUR 48.2 million, up 49.9% compared to the same period last year.

Taking into account EUR 27.0 million of amortisation, depreciation, write-downs and provisions, **EBIT** reached EUR 21 million compared to EUR 5.1 million in the previous year.

At constant 2020 exchange rates, EBIT would have been EUR 20.2 million.

Net financial expense, negative for EUR 5.4 million (negative for EUR 9.9 million in the same period of the previous year), includes EUR 3.9 million (EUR 4.7 million in 2020) of financial charges, EUR 1.1 million (EUR 4.7 million in 2020) of foreign exchange charges and the impact of the valuation of derivatives.

Pre-tax profit was EUR 15.6 million (loss of EUR 5.0 million in Q1 2020).

Net financial debt as at 31 March 2021 was EUR 167.8 million, a decrease of EUR 154.5 million compared to EUR 322.3 million as at 31 March 2020. These figures include EUR 84.2 million due to IFRS 16 compared to EUR 88.2 million as at 31 March 2020.

The EUR 45.6 million net financial debt increase from 31 December 2020 is due to business seasonality in the first quarter of the year, net working capital dynamics and annual plant maintenance, as well as to EUR 11.4 million for the purchase of treasury shares.

Total equity as at 31 March 2021 amounted to EUR 1,189.6 million (EUR 1,183.0 million as at 31 December 2020).

Performance by geographical segment

Nordic and Baltic

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	138,447	127,884	8.3%
<i>Denmark</i>	92,611	88,169	5.0%
<i>Norway / Sweden</i>	43,785	39,723	10.2%
<i>Other</i> ⁽¹⁾	13,164	12,449	5.7%
<i>Eliminations</i>	(11,113)	(12,457)	
EBITDA	27,079	24,651	9.8%
<i>Denmark</i>	23,446	21,782	7.6%
<i>Norway / Sweden</i>	3,091	2,412	28.2%
<i>Other</i> ⁽¹⁾	542	457	18.6%
EBITDA Margin %	19.6%	19.3%	
Investments	11,211	9,585	

(1) *Iceland, Poland, Russia and white cement operating activities in Belgium and France*

Denmark

Sales revenues in the first quarter of 2021 reached EUR 92.6 million, up 5% compared to EUR 88.2 million in the first quarter of 2020.

Cement volumes in the domestic market increased by around 6.5%, mainly due to the ready-mixed concrete, precast and bagged cement segments, partly attributable to the replenishment of stocks by distributors. The comparison with the previous year was impacted by the slight contraction in March 2020 due to Covid-19.

White cement exports declined slightly, due to a fall in shipments to Poland, partially offset by higher sales to Belgium and France. Exports of grey cement fell by 14% compared to the first quarter of 2020, due to lower deliveries to Norway as a result of weak local demand and difficult weather conditions.

Ready-mixed concrete volumes in Denmark increased by 11% compared to the corresponding quarter in 2020, due to growth in activity in all areas of the country and favorable weather conditions.

EBITDA reached EUR 23.4 million in the first quarter of 2021 (EUR 21.8 million in 2020), up 7.6% compared to 2020. The increase is largely attributable to the ready-mixed concrete business, which benefited from higher sales volumes and prices and lower fixed costs.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes fell by about 3% compared to previous year. The country continues to experience a moderate contraction in residential and non-residential activity, both in the public and private sectors. Volumes were impacted not only by low temperatures, but also by slowdown of some major infrastructure works. In March, however, there was a substantial recovery (+30%) due to the start of several projects that had been postponed from previous months.

The Norwegian krone lost 2% against the average euro exchange rate in the first quarter of 2020.

In **Sweden**, ready-mixed concrete volumes were up more than 20% year-on-year, while aggregate sales were 8% higher. In the first three months of 2021, the sector benefited from favorable weather conditions and a very solid construction market performance, also as a result of the rapid progress of some major infrastructure projects near Malmö.

The Swedish krona appreciated by 5% against the average euro exchange rate in the first quarter of 2020.

In the first quarter of 2021, revenues from sales in Norway and Sweden amounted to EUR 43.8 million (EUR 39.7 million in 2020) while EBITDA increased by 28.2% to EUR 3.1 million (EUR 2.4 million in the same period in 2020). The increase is attributable to Sweden, both in ready-mixed concrete and aggregates, due to higher sales volumes and prices. Norway recorded a slight reduction in EBITDA due to lower sales volumes and higher variable costs.

Belgium

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	63,018	56,735	11.1%
EBITDA	9,814	5,184	89.3%
EBITDA Margin %	15.6%	9.1%	
Investments	4,215	10,231	

In the first quarter of 2021, cement sales volumes increased by 8% compared to last year figures, which were affected by weak performance in March due to Covid-19. During the quarter, volumes were positive in Belgium and France, stable in Germany and declining in the Netherlands.

Ready-mixed concrete sales volumes in Belgium and France increased by more than 20% in the first three months of 2021, partly due to the launch of few important projects. It should be noted that in March 2020, the Covid-19 pandemic had led it to a sharp activity contraction.

Aggregate sales volumes increased by approximately 4.5% compared to the corresponding first three months of 2020, mainly because of exports to France.

Overall, sales revenue in the first quarter of 2021 reached EUR 63.0 million (EUR 56.7 million in the same period of 2020) and EBITDA amounted to EUR 9.8 million (EUR 5.2 million the previous year), up by 89.3% compared to 2020.

The increase in EBITDA was due to higher sales volumes and prices in all segments and, in the cement business, also to the timing of annual kiln maintenance.

North America

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	34,893	36,429	-4.2%
EBITDA	4,079	4,795	-14.9%
EBITDA Margin %	11.7%	13.2%	
Investments	1,514	698	

US white cement sales volumes posted sustained growth thanks to increased deliveries mainly in the Florida and York areas. The year-on-year change reflects the negative impact of Covid-19 in 2020 comparable figures. Despite a hurricane in Texas and heavy snowfall in York region in February, positive weather conditions and the development of the precast sector contributed favorably to the sales trend.

The higher volumes but lower sales prices due to competition led to both a slight reduction in revenues compared to the first quarter of the previous year and a contraction in EBITDA also due to higher distribution costs and higher electricity costs, also because of hurricanes in Texas.

It should be noted that the dollar depreciated by 9% against the average euro exchange rate in the first quarter of 2020. Such translation effect led to lower revenues of EUR 34.9 million (EUR 36.4 million in Q1 2020) and lower EBITDA of EUR 4.1 million (EUR 4.8 million in 2020).

Turkey

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	35,556	26,326	35.1%
EBITDA	1,051	(3,447)	130.5%
EBITDA Margin %	3.0%	-13.1%	
Investments	3,591	5,171	

Higher demand led to a 30% increase in cement and clinker sales volumes, with domestic deliveries up by 38%. The largest increase in absolute terms was in the Marmara (Trakya) and Eastern Anatolia (Elazig) regions, hit by an earthquake in January 2020 and, to a lesser extent, in the Aegean region due to the Izmir earthquake in October 2020. Exports of cement and clinker, on the contrary, increased by 8% with a more favorable mix.

Ready-mixed concrete volumes increased by 65% compared to the first quarter of 2020, due to the start of some major projects that had been postponed due to the Covid-19 pandemic and the opening of new plants.

In the waste sector, the Sureko subsidiary, active in industrial waste processing, reported 10% higher revenues in local currency compared to 2020, due to an increase in materials trading and volumes of waste collected for the production of fuels (RDF).

Revenue in Turkey reached EUR 35.6 million, an increase of 35.1% compared to the first quarter of 2020 (EUR 26.3 million), despite the devaluation of the Turkish lira against the Euro (-32% compared with the average exchange rate in the first quarter of 2020).

EBITDA was positive at EUR 1.1 million, improving over the previous year (negative at EUR 3.4 million) thanks to higher cement sales volumes and prices, only partially mitigated by higher raw material and fuel costs. Ready-mixed concrete also made a positive contribution of approximately EUR 0.5 million.

Egypt

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	12,872	10,233	25.8%
EBITDA	3,037	2,048	48.3%
EBITDA Margin %	23.6%	20.0%	
Investments	244	189	

White cement sales volumes in the domestic market were up more than 35% compared to Q1 2020, when the lockdown to limit the spread of Covid-19 led to delays in deliveries to customers, resulting in lower activity.

Exports, up 30%, must take into account the reduced contribution in March 2020, due to Covid-19 restrictions.

Sales revenues amounted to EUR 12.9 million (EUR 10.2 million in Q1 2020), up 25.8% thanks to an increase in volumes sold on both the local and export markets.

EBITDA increased to EUR 3.0 million (EUR 2.0 million in Q1 2020), due to higher volumes sold, higher sales prices due to product mix and energy cost savings, offset by higher transport and raw material costs. The Egyptian pound depreciated by 9% against the average Euro exchange rate in the first quarter of 2020.

Asia Pacific

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	20,976	14,659	43.1%
<i>China</i>	10,844	6,684	62.2%
<i>Malaysia</i>	10,132	7,975	27.0%
<i>Eliminations</i>	-	-	
EBITDA	3,701	2,532	46.2%
<i>China</i>	2,512	1,740	44.4%
<i>Malaysia</i>	1,189	792	50.1%
EBITDA Margin %	17.6%	17.3%	
Investments	1,908	1,655	

China

Sales revenue reached EUR 10.8 million (EUR 6.7 million in Q1 2020), an increase of 62.2% compared to 2020, when due to the Covid-19 outbreak the company was closed between 23 January and 21 February.

With the start of several construction sites, sales volumes increased by 60% compared to the corresponding quarter of 2020 despite heavy rainfall in January, which affected deliveries to customers.

EBITDA increased to EUR 2.5 million (EUR 1.7 million in the same period of 2020), driven by the increase in volumes only partially offset by higher fixed costs for maintenance, overheads and personnel due to normal inflationary dynamics.

The Chinese Renminbi depreciated by 1.5% against the average Euro exchange rate in the first quarter of 2020.

Malaysia

Sales revenue amounted to EUR 10.1 million (EUR 8.0 million in the corresponding period of 2020) due to an increase of approximately 40% in volumes.

Volumes of white cement on the domestic market, which were not significant in absolute terms, increased by 4%. It should be noted that from 17 March to 14 April 2020, the Malaysian government imposed some restrictions on sales and production to curb the spread of the pandemic, and that also in the first quarter of 2021 some restrictions were put in place between 13 January and 18 February.

Overall, exports increased by around 40% compared to 2020, with higher volumes of both cement and clinker to Australia, Vietnam, Philippines, South Korea and Bangladesh. This increase can also be explained by the import restrictions implemented in 2020 by several countries.

EBITDA amounted to EUR 1.2 million, up 50% compared to EUR 0.8 million in the corresponding quarter of 2020, driven by higher volumes sold, against lower average sales prices due to a different mix (more clinker than cement).

The local currency depreciated by 6% against the average euro exchange rate in the corresponding quarter of 2020.

Holding and Services

(EUR'000)	1 st Quarter 2021	1 st Quarter 2020	Change %
Revenue from sales	24,040	21,253	13.1%
EBITDA	(683)	(3,592)	81.0%
EBITDA Margin %	-2.8%	-16.9%	
Investments	419	622	

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The 12.5% increase in Spartan Hive's revenues is attributable to higher volumes traded while EBITDA decreased to EUR 1.2 million (EUR 1.9 million in Q1 2020).

Corporate EBITDA, on the other hand, was negative for EUR 1.9 million, an improvement on the negative EUR 5.4 million posted in the first quarter of the previous year, which included EUR 2.5 million of extraordinary charges for a settlement agreement.

Significant events during and after the first quarter

On 4 February 2021, the Board of Directors' of the Parent Company approved the 2021 - 2023 Business Plan. Please refer to the press release issued on that date.

In accordance with the resolution of the Shareholders' Meeting of 2 July 2020, the treasury share purchase programme continued. As of 31 March 2021, the Company owned 2,144,000 treasury shares equal to 1.3474% of the share capital (694,500 shares equal to 0.4365% of the share capital as of 31 December 2020) for a total outlay of EUR 15,954 thousand (equal to EUR 4,543 thousand as of 31 December 2020).

As of 30 April 2021, treasury shares were 2,376,000 equal to 1.4932% of the share capital for a total outlay of EUR 18,074 thousand.

Outlook for 2021

In the light of the results for the first quarter of the year, the objectives declared on 4 February 2021 are confirmed, i.e. reaching consolidated revenues of approximately EUR 1.3 billion, an EBITDA between EUR 285 and 295 million and a net financial debt at the end of 2021 of approximately EUR 30 million, including investments of approximately EUR 95 million. No substantial changes in the workforce are expected.

* * *

The Interim Financial Report as at 31 March 2021, unaudited, will be published in the manner and within the deadline required by current regulations.

* * *

The results of the first quarter of 2021 will be presented to the financial community in a **conference call** to be held today, Wednesday 5 May, at 6:00 pm (CET). Dial-in numbers are as follows:

Italy: +39 02 802 09 11
UK: + 44 1 212 81 8004

USA: +1 718 7058796
USA (freephone): 1 855 2656958

The first quarter 2021 presentation will be made available on the website www.cementirholding.com in the Investors section before the start of the conference call.

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The unaudited consolidated results for the first quarter of 2021 are attached.

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

CEMENTIR HOLDING 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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Consolidated results for the period

(EUR '000)	1st Quarter 2021	1st Quarter 2020	Var %
REVENUE FROM SALES AND SERVICES	300,518	266,933	12.6%
Change in inventories	(1,242)	(1,011)	-22.8%
Increase for internal work and other income	5,352	4,120	29.9%
TOTAL OPERATING REVENUE	304,628	270,042	12.8%
Raw materials costs	(123,724)	(102,788)	20.4%
Personnel costs	(46,815)	(49,181)	-4.8%
Other operating costs	(86,011)	(85,902)	0.1%
TOTAL OPERATING COSTS	(256,550)	(237,871)	7.8%
EBITDA	48,078	32,171	49.4%
<i>EBITDA Margin %</i>	<i>16.00%</i>	<i>12.05%</i>	
Amortisation, depreciation, impairment losses and provisions	(27,047)	(27,043)	0.0%
EBIT	21,032	5,128	310.1%
<i>EBIT Margin %</i>	<i>7.00%</i>	<i>1.92%</i>	
Share of net profits of equity-accounted investees	7	(282)	102.6%
Net financial income (expense)	(5,419)	(9,861)	-45.0%
NET FINANCIAL INCOME (EXPENSE) AND VALUATION OF INVESTMENTS IN EQUITY	(5,412)	(10,143)	-46.6%
PROFIT (LOSS) BEFORE TAXES OF THE PERIOD	15,620	(5,015)	-

Fine Comunicato n.0091-24

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