



MEDIOBANCA  
SECURITIES

# Italian CEOs Conference

23 June 2021

## Executive Summary

### VOLUMES

Italy and USA well performing, Russia confirms solidity. Negative trend in other Eastern European countries and in Germany. For Q1 as a whole, cement volumes improved (+3.0%) at 6.2 mton

Ready Mix concrete volumes only slightly up (+0.8%) at 2.5 mm<sup>3</sup>

### PRICES

Overall favorable variance across the board in local currencies, particularly in Poland and Germany

### FOREIGN EXCHANGE

€m 37.2 disadvantage on Net sales from weaker dollar, hryvnia and ruble

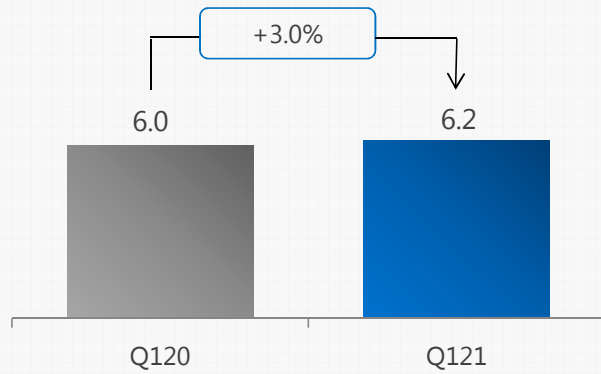
### FINANCIALS

Net sales at €m 683 (€m 688 in 2020), -0.8% (+4.5% lfl), with negative variance in USA (-4.5%), Germany (-1.4%) and Eastern Europe (-15.4%). Positive performance in Italy (+20.7%) and Benelux (+6.3%)

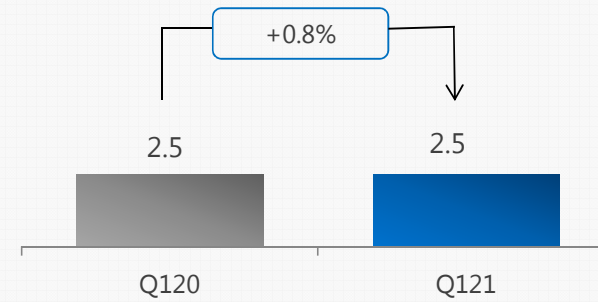
Net Debt at €m 231 versus €m 242 at year end 2020

# Q1 21 Highlights

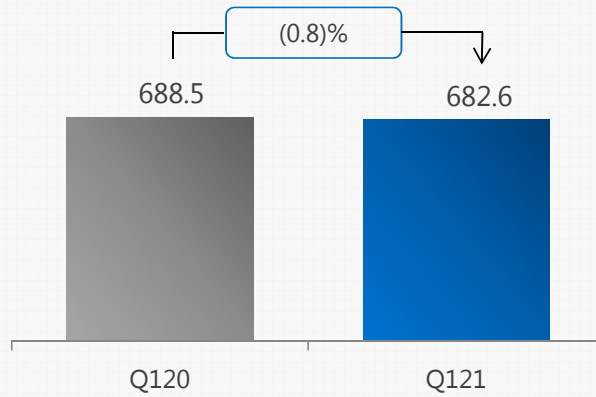
**Cement volumes (m ton)**



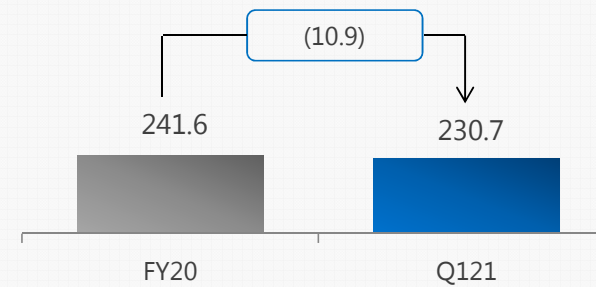
**Ready-mix volumes (m m³)**



**Net Sales (€m)**

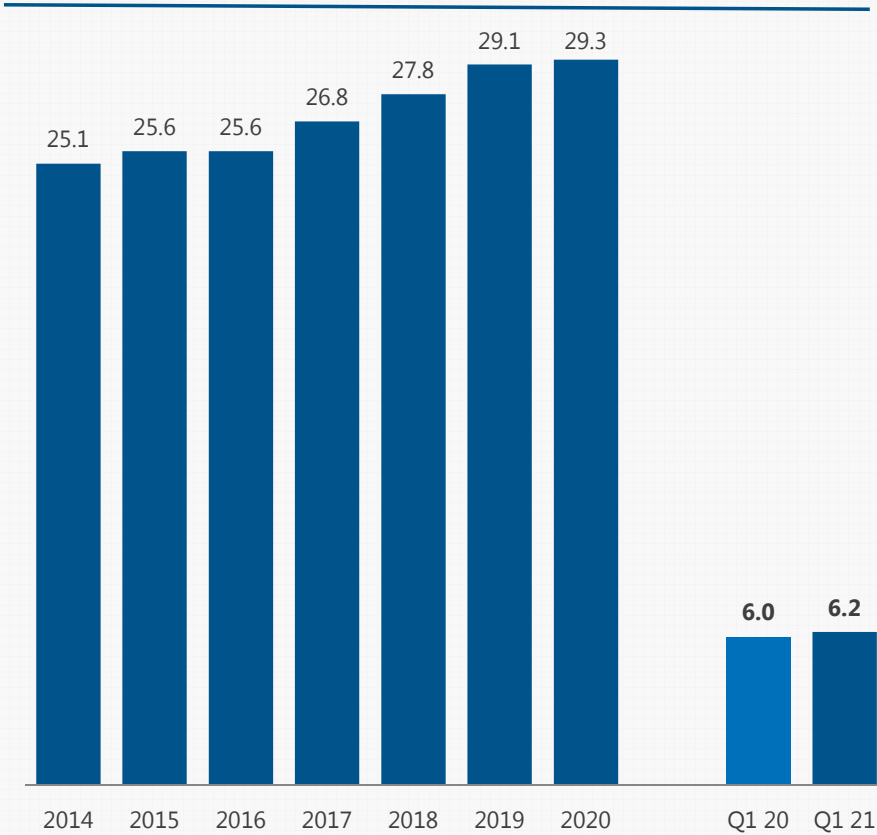


**Net Debt (€m)**

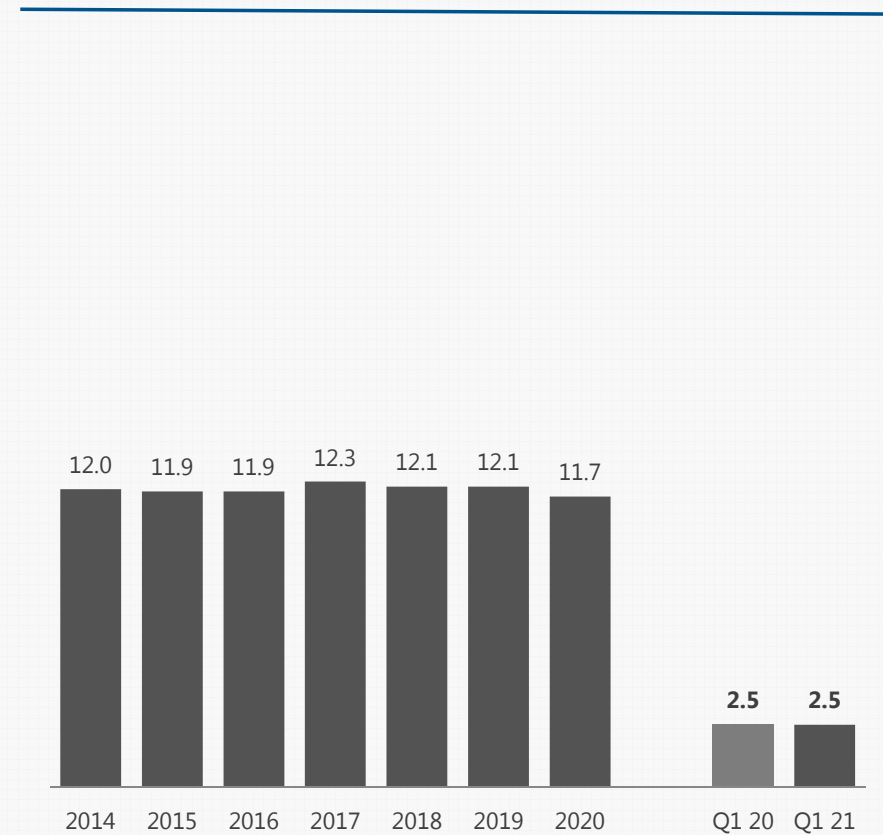


# Volumes

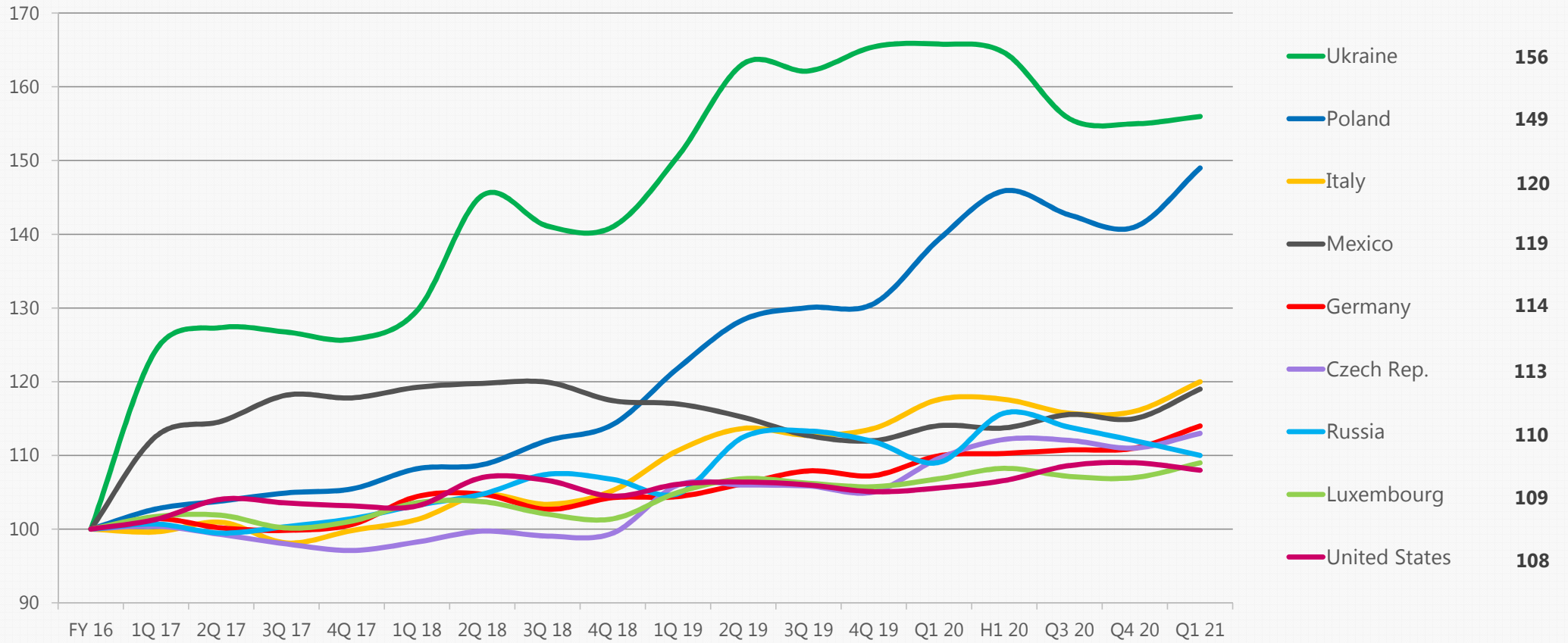
**Cement**  
(m ton)










**Ready-mix concrete**  
(m m3)



# Price Index by country



## FX changes

|   |     | Q121  | Q120  | Δ     | 2020  | Current |
|---|-----|-------|-------|-------|-------|---------|
| EUR 1 =   |     | avg   | avg   | %     | avg   |         |
|    | USD | 1.20  | 1.10  | -9.3  | 1.14  | 1.19    |
|    | RUB | 89.67 | 73.82 | -21.5 | 82.72 | 87.13   |
|    | UAH | 33.68 | 27.66 | -21.7 | 30.85 | 32.43   |
|    | CZK | 26.07 | 25.63 | -1.7  | 26.46 | 25.57   |
|    | PLN | 4.55  | 4.32  | -5.1  | 4.44  | 4.53    |
|   | MXN | 24.53 | 22.09 | -11.0 | 24.52 | 24.49   |
|  | BRL | 6.60  | 4.92  | -34.2 | 5.89  | 6.02    |

## Analysis by geographical region – Italy and USA

### Italy

- Cement volumes clearly up compared to Q1 20, affected by the country lockdown, thanks to the stronger demand, driven by the positive dynamics of the residential renovation and public works. Ready-mix production recorded an even more marked recovery
- Favourable trend for selling prices
- 20% of consolidated Q1 net sales (17% in Q1 20)

| EURm             | Q1 21 | Q1 20 | Δ%    | Δ lfl % |
|------------------|-------|-------|-------|---------|
| <b>Net Sales</b> | 138.5 | 114.7 | +20.7 | -       |

### USA

- Cement volumes up, despite unfavourable weather conditions in February, particularly in Texas. Ready-mix more penalized by the cold
- Average selling prices in local currency showed a slight growth
- Q1 net sales +4.3% lfl
- 38% of consolidated Q1 net sales (40% in Q1 20).

| EURm             | Q1 21 | Q1 20 | Δ%    | Δ lfl % |
|------------------|-------|-------|-------|---------|
| <b>Net Sales</b> | 261.3 | 273.7 | (4.5) | +4.3    |

## Analysis by geographical region – Central and Eastern Europe

### Central Europe

- Cement volumes down in Germany due to adverse weather conditions. Positive performance in Luxembourg. Ready-mix concrete showed a slight contraction
- Positive pricing development
- 27% of consolidated Q1 net sales (27% in Q1 20)

| EURm             | Q1 21 | Q1 20 | Δ%   | Δ Ifl % |
|------------------|-------|-------|------|---------|
| <b>Net Sales</b> | 185.0 | 184.4 | +0.3 | -       |

### Eastern Europe

- Cement volumes improved in Russia, thanks to robust demand, but visibly contracted in Poland, Czech Republic and Ukraine. Ready-mix down
- Average selling prices in local currency improved, except in Ukraine
- 15% of consolidated Q1 net sales (17% in Q1 20)

| EURm             | Q1 21 | Q1 20 | Δ%     | Δ Ifl % |
|------------------|-------|-------|--------|---------|
| <b>Net Sales</b> | 99.1  | 117.1 | (15.4) | (3.9)   |



## Analysis by geographical region – Mexico and Brazil (valued at equity)

### Mexico

- Positive trend in cement volumes, while ready-mix concrete remained stable
- Prices, in local currency, improved
- Negative impact from the depreciation of the Mexican peso. Q1 net sales +20.8% lfl











| EURm                    | Q1 21 | Q1 20 | Δ%   | Δ lfl % |
|-------------------------|-------|-------|------|---------|
| <b>Net Sales (100%)</b> | 160.7 | 147.7 | +8.8 | +20.8   |

### Brazil

- Cement volumes showed marked progress thanks to positive developments in construction activity, particularly in the residential sector
- Strong trend in selling prices, in local currency
- Negative FX impact (Brazilian Real -34.2%). Q1 net sales +84.4% lfl

| EURm                    | Q1 21 | Q1 20 | Δ%    | Δ lfl % |
|-------------------------|-------|-------|-------|---------|
| <b>Net Sales (100%)</b> | 39.6  | 28.8  | +37.4 | +84.4   |

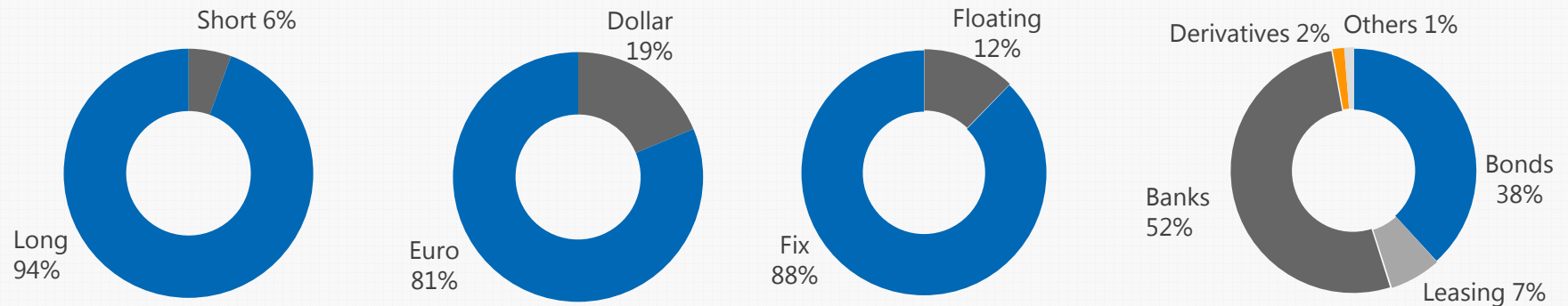
## Net sales by country

| EURm   | Q1 21        | Q1 20        | Δ            | Δ           | Forex         | Scope    | Δ l-f-l     |
|--|--------------|--------------|--------------|-------------|---------------|----------|-------------|
|  |              |              | abs          | %           | abs           | abs      | %           |
|  Italy                | 138.5        | 114.7        | 23.8         | +20.7       | -             | -        | +20.7       |
|  United States        | 261.3        | 273.7        | (12.4)       | -4.5        | (24.2)        | -        | +4.3        |
|  Germany              | 147.2        | 149.3        | (2.1)        | -1.4        | -             | -        | -1.4        |
|  Lux / Netherlands    | 43.7         | 41.2         | 2.5          | +6.3        | -             | -        | +6.3        |
|  Czech Rep / Slovakia | 28.0         | 30.5         | (2.5)        | -8.4        | (0.4)         | -        | -7.0        |
|  Poland               | 17.6         | 24.8         | (7.2)        | -28.8       | (0.9)         | -        | -25.2       |
|  Ukraine              | 16.3         | 22.1         | (5.8)        | -25.9       | (3.6)         | -        | -9.8        |
|  Russia               | 37.6         | 40.3         | (2.7)        | -6.6        | (8.1)         | -        | +13.5       |
| <i>Eliminations</i>  | <i>(7.6)</i> | <i>(8.1)</i> | <i>(0.5)</i> | <i>-6.1</i> |               |          |             |
| <b>Total</b>   | <b>682.6</b> | <b>688.5</b> | <b>(5.9)</b> | <b>-0.8</b> | <b>(37.2)</b> | <b>-</b> | <b>+4.5</b> |
|  Mexico (100%)      | 160.7        | 147.7        | 13.0         | +8.8        | (17.7)        | -        | +20.8       |
|  Brazil (100%)      | 39.6         | 28.8         | 10.8         | +37.4       | (13.5)        | -        | +84.4       |

## Net Financial Position

| EURm                            | Mar 21         | Dec 20         | Δ<br>abs    | Mar 20         |
|---------------------------------|----------------|----------------|-------------|----------------|
| Cash and other financial assets | 1,065.5        | 1,220.9        | (155.4)     | 909.4          |
| Short-term debt                 | (50.9)         | (214.2)        | 163.3       | (51.8)         |
| Short-term leasing              | (21.5)         | (21.4)         | 0.0         | (22.9)         |
| <b>Net short-term cash</b>      | <b>993.1</b>   | <b>985.3</b>   | <b>7.8</b>  | <b>834.7</b>   |
| Long-term financial assets      | 11.4           | 11.0           | 0.4         | 2.8            |
| Long-term debt                  | (1,167.7)      | (1,173.4)      | 5.7         | (1,282.9)      |
| Long-term leasing               | (67.5)         | (64.5)         | (3.0)       | (79.8)         |
| <b>Net debt</b>                 | <b>(230.7)</b> | <b>(241.6)</b> | <b>10.9</b> | <b>(525.2)</b> |

Gross debt breakdown ( 1,307.6 €m )



## Appendix

## Buzzi Unicem at a glance

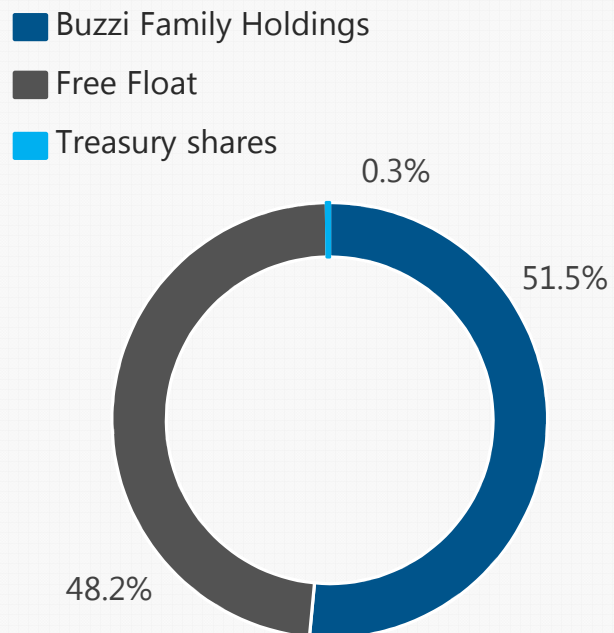
- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive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

### Share Capital

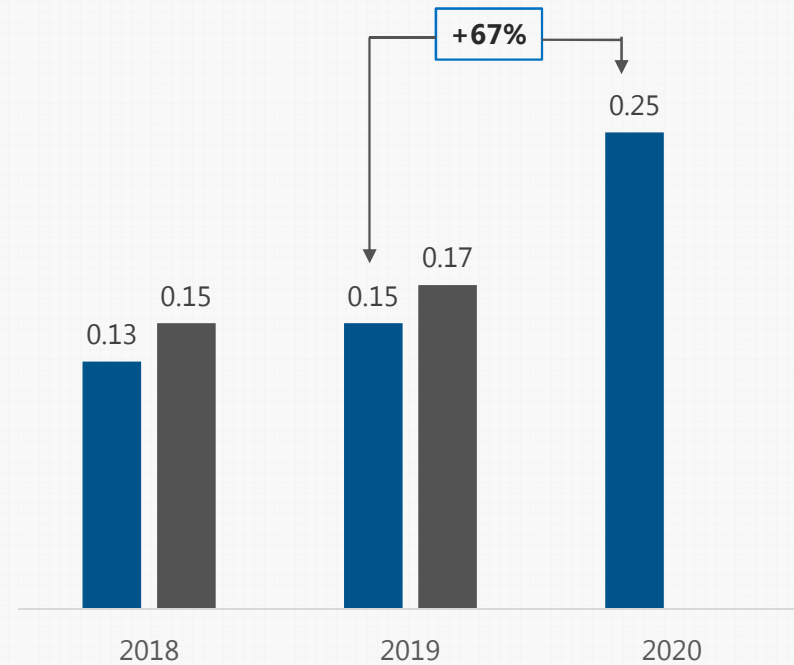
Number of shares 192,626,154



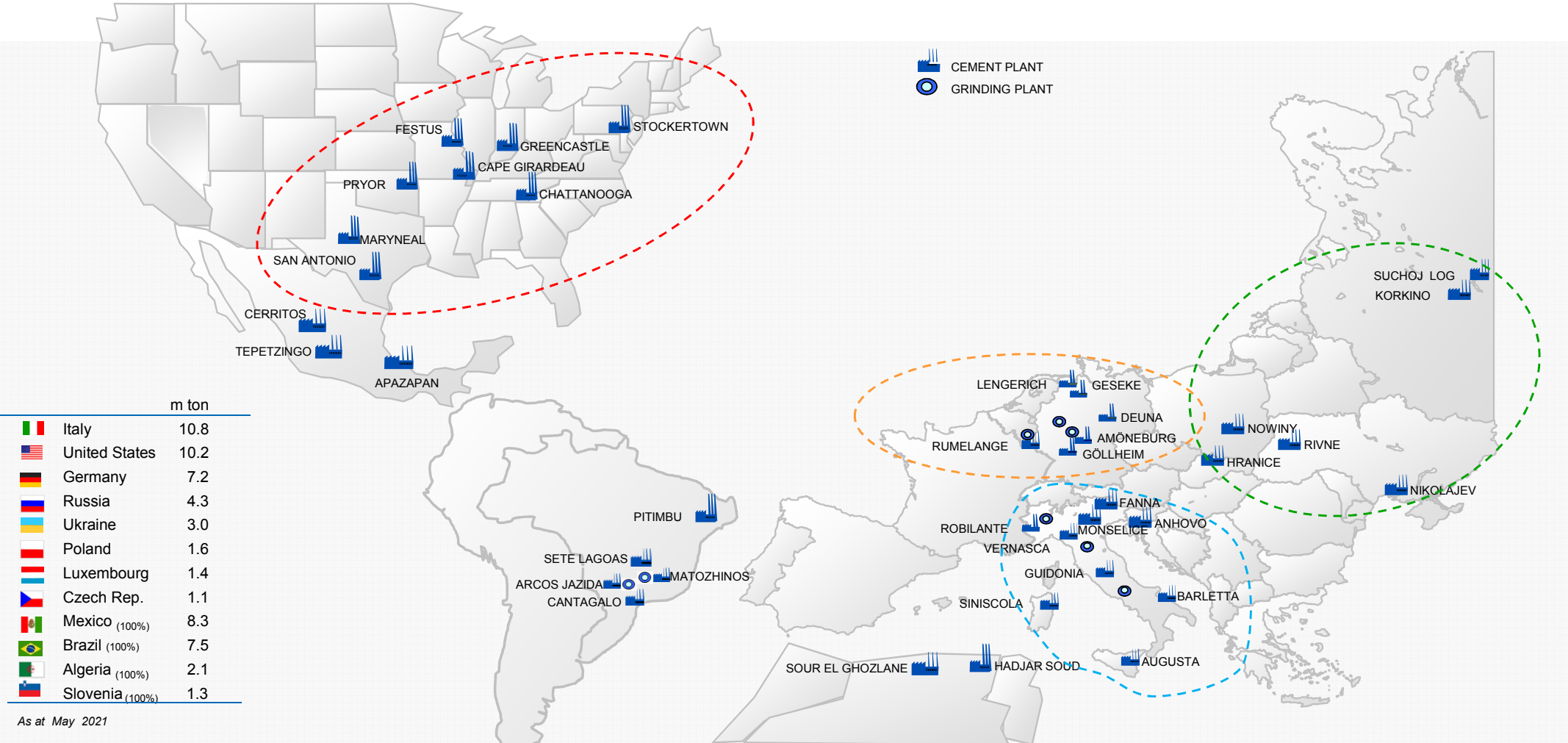
As at May 2021

### Dividend per Share (Eur)

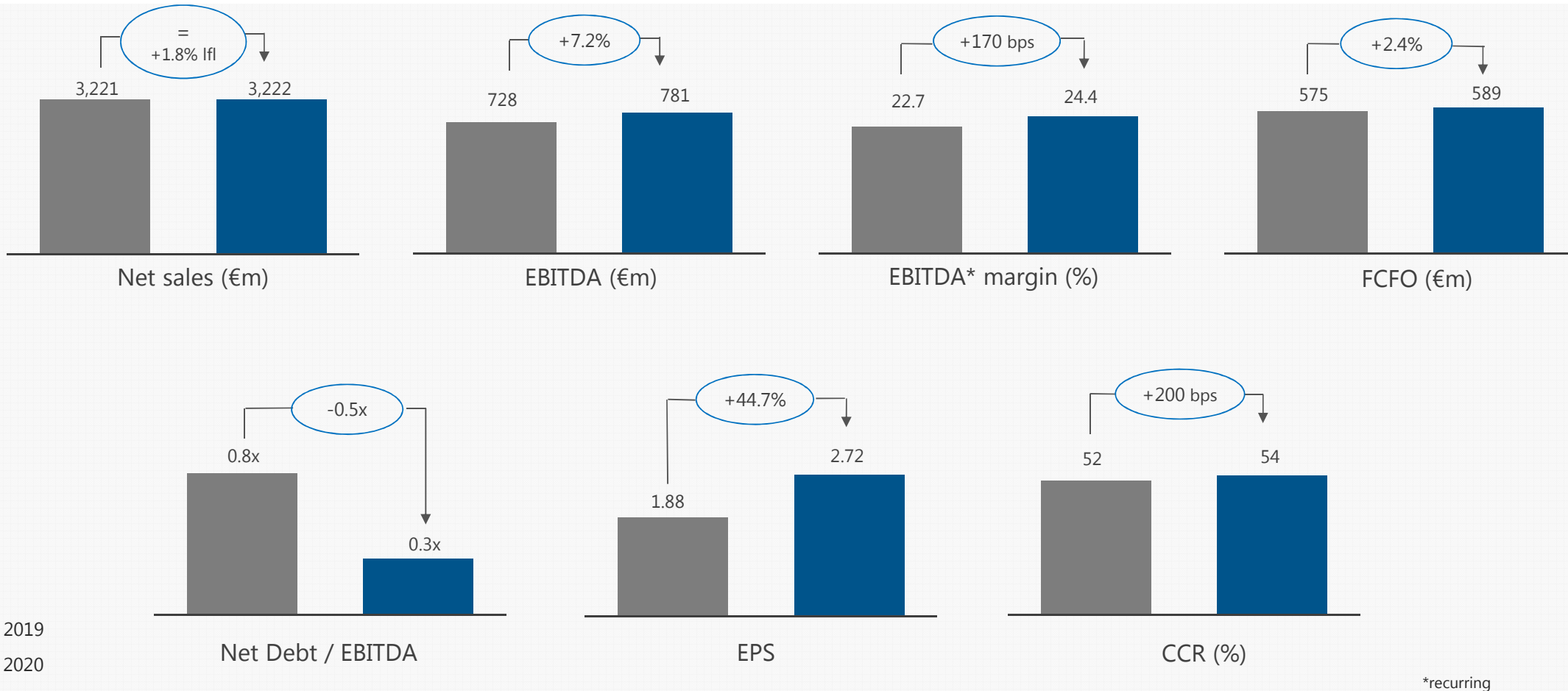
■ Ordinary shares ■ Savings shares



# Cement plants location and capacity

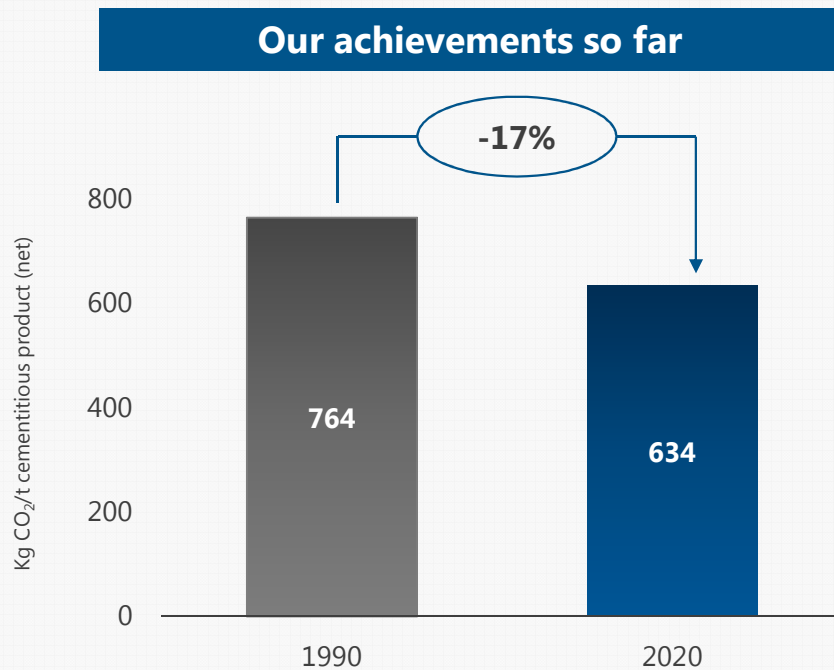


## 2020 Financial Highlights





## Specific Net CO<sub>2</sub> emissions: What we have achieved so far



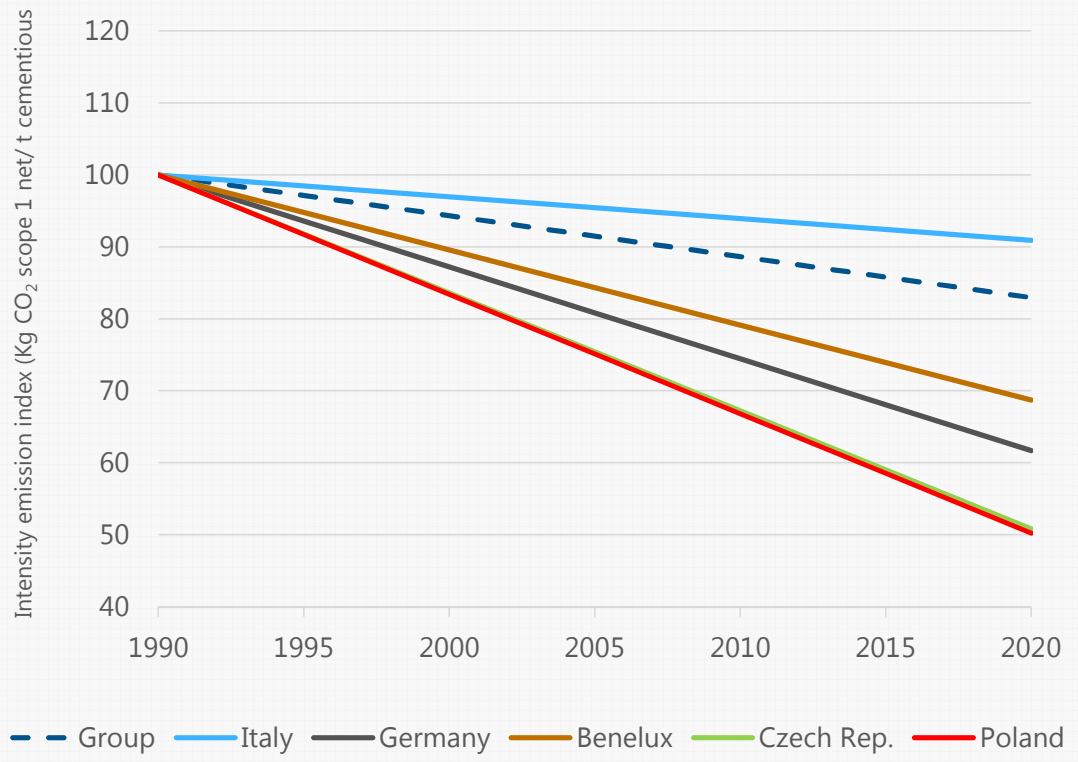
By 2020, we have reduced by approx. **17%** the specific net CO<sub>2</sub> emissions compared to 1990 level (plants taken into consideration according to SBTi methodology)

Reduction's drivers:

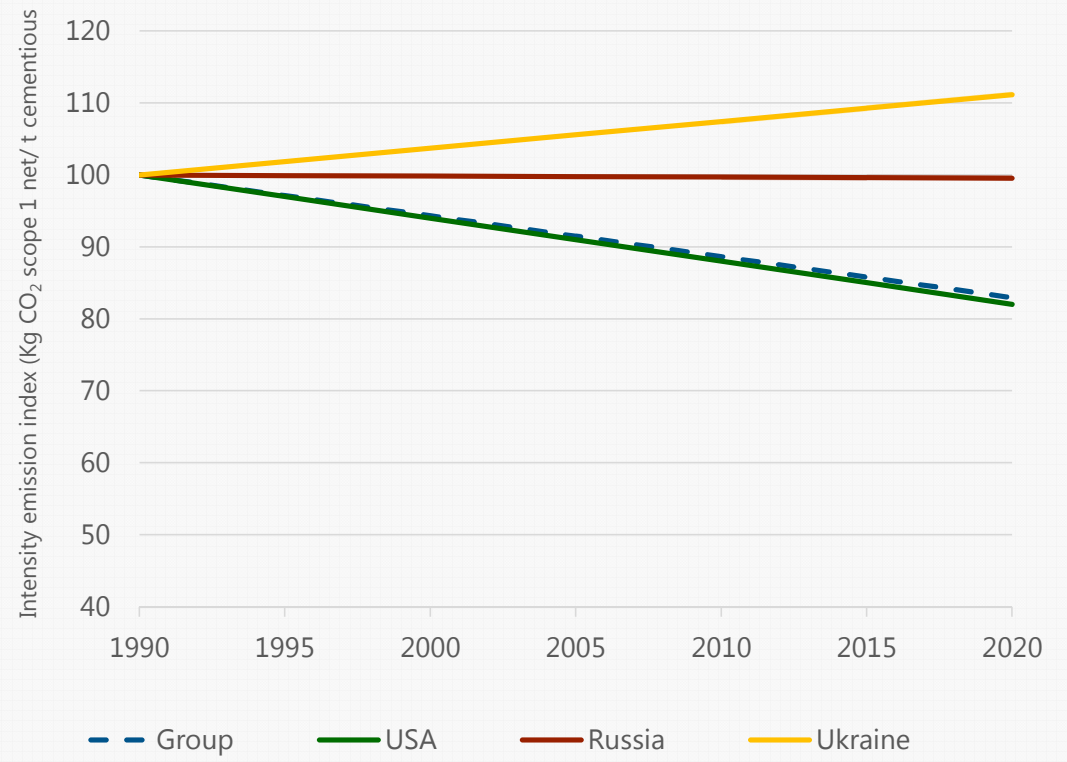
- Higher alternative fuels utilization
- Thermal energy optimization
- Lower clinker to cement ratio
- Improved technologies

# CO<sub>2</sub> Intensity emission index by country: 2020 vs 1990

## EU ETS countries



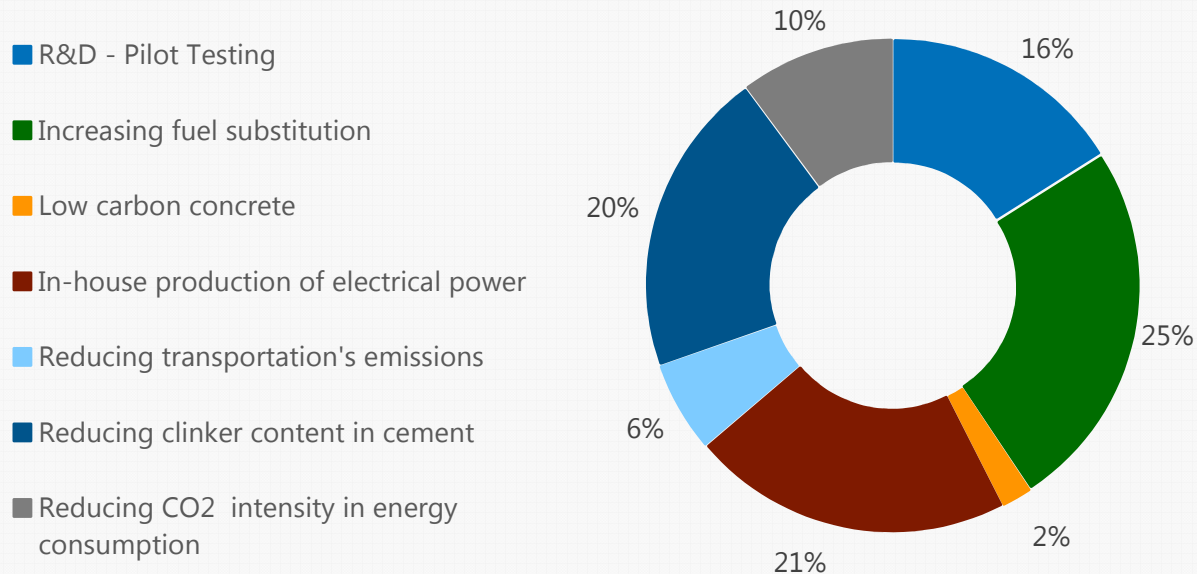
## Non ETS countries



## Capex requirements for decarbonization over the next 5 years











- Over the next 5 years, Buzzi Unicem will be involved in more than 100 initiatives aiming to reduce CO<sub>2</sub> emissions
- This plan leads to CO<sub>2</sub> specific capex per year equal to approx **10-15%** of the annual avg capex spending

### CO<sub>2</sub> Capex breakdown by initiatives



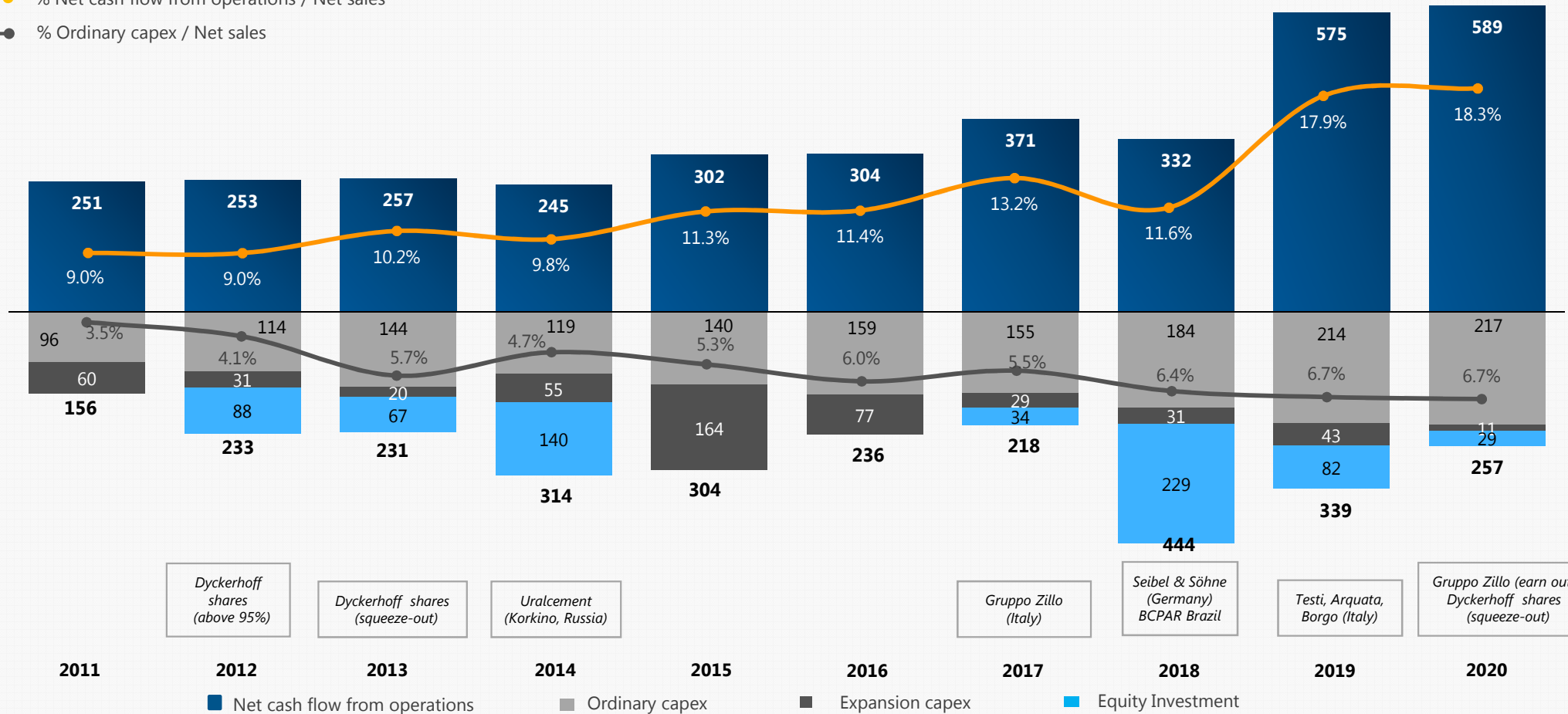
- Approx. 75% of CO<sub>2</sub> specific capex will be dedicated to initiatives with high short term potential of CO<sub>2</sub> reduction, such as: increasing fuel substitution, reducing clinker content in cement, in-house production of electrical power and reducing CO<sub>2</sub> intensity in energy consumption
- Within R&D-Pilot Testing category, the most important initiative will be CCU/S

## Historical EBITDA development by country

|   |                      | 2011         | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         | 2018         | 2019         | 2020         |
|---|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  <b>Italy</b>                  | <i>EBITDA</i>        | 10.3         | -5.9         | -18.1        | -18.7        | -37.2        | -22.2        | -79.7        | -1.7         | 43.4         | 33.8         |
|   | <i>margin</i>        | 1.8%         | -1.2%        | -4.2%        | -4.8%        | -9.8%        | -5.9%        | -18.6%       | -0.4%        | 8.6%         | 6.8%         |
|  <b>Germany</b>                | <i>EBITDA</i>        | 90.3         | 72.2         | 108.1        | 88.6         | 72.1         | 76.8         | 78.1         | 82.5         | 102.3        | 123.8        |
|   | <i>margin</i>        | 14.2%        | 12.0%        | 18.0%        | 14.7%        | 12.6%        | 13.4%        | 13.3%        | 13.0%        | 15.1%        | 17.3%        |
|  <b>Lux/<br/>Netherlands</b>    | <i>EBITDA</i>        | 35.0         | 8.3          | 11.5         | 15.9         | 19.7         | 25.8         | 17.6         | 23.1         | 22.7         | 21.7         |
|   | <i>margin</i>        | 15.7%        | 4.3%         | 6.3%         | 9.7%         | 11.7%        | 14.7%        | 9.4%         | 11.7%        | 11.8%        | 11.3%        |
|  <b>Czech Rep/<br/>Slovakia</b> | <i>EBITDA</i>        | 35.2         | 25.4         | 19.2         | 27.0         | 32.6         | 34.4         | 36.5         | 43.6         | 46.3         | 46.8         |
|   | <i>margin</i>        | 20.5%        | 17.0%        | 14.6%        | 20.2%        | 24.0%        | 25.2%        | 24.7%        | 26.5%        | 27.5%        | 29.4%        |
|  <b>Poland</b>                 | <i>EBITDA</i>        | 36.9         | 21.8         | 27.1         | 18.2         | 22.7         | 23.4         | 24.1         | 31.9         | 32.1         | 35.3         |
|   | <i>margin</i>        | 26.6%        | 20.0%        | 26.8%        | 20.4%        | 20.4%        | 24.6%        | 24.9%        | 28.6%        | 25.9%        | 29.9%        |
|  <b>Ukraine</b>                | <i>EBITDA</i>        | 6.9          | 15.8         | 12.3         | 11.0         | 4.0          | 12.8         | 16.0         | 7.0          | 21.0         | 21.9         |
|   | <i>margin</i>        | 6.2%         | 11.8%        | 10.0%        | 12.5%        | 5.7%         | 16.1%        | 16.9%        | 8.0%         | 15.9%        | 18.9%        |
|  <b>Russia</b>                 | <i>EBITDA</i>        | 65.7         | 96.1         | 92.6         | 73.4         | 48.4         | 43.2         | 46.0         | 50.1         | 57.7         | 52.9         |
|   | <i>margin</i>        | 37.4%        | 41.0%        | 37.2%        | 35.0%        | 29.0%        | 28.0%        | 24.9%        | 27.0%        | 26.9%        | 28.3%        |
|  <b>USA</b>                    | <i>EBITDA</i>        | 71.4         | 123.9        | 151.0        | 207.3        | 311.7        | 356.5        | 369.6        | 341.2        | 402.7        | 444.2        |
|   | <i>margin</i>        | 12.8%        | 18.2%        | 20.7%        | 24.2%        | 28.1%        | 31.9%        | 33.0%        | 31.9%        | 32.4%        | 35.2%        |
| <b>Total<br/>(IFRS reporting)</b>   | <b><i>EBITDA</i></b> | <b>351.7</b> | <b>357.6</b> | <b>403.7</b> | <b>422.7</b> | <b>473.2</b> | <b>550.6</b> | <b>508.2</b> | <b>577.2</b> | <b>728.1</b> | <b>780.8</b> |
|   | <b><i>margin</i></b> | <b>13.8%</b> | <b>14.1%</b> | <b>16.0%</b> | <b>16.9%</b> | <b>17.8%</b> | <b>20.6%</b> | <b>18.1%</b> | <b>20.1%</b> | <b>22.6%</b> | <b>24.2%</b> |
|  <b>Mexico (50%)</b>         | <i>EBITDA</i>        | 82.6         | 97.5         | 77.5         | 93.9         | 128.1        | 146.7        | 164.6        | 144.5        | 126.1        | 132.5        |
|   | <i>margin</i>        | 34.7%        | 36.2%        | 33.2%        | 36.0%        | 40.9%        | 48.2%        | 48.0%        | 46.3%        | 42.5%        | 46.2%        |
|  <b>Brazil (50%)</b>         | <i>EBITDA</i>        |              |              |              |              |              |              |              | 15.9         | 11.7         | 24.0         |
|   | <i>margin</i>        |              |              |              |              |              |              |              | 23.9%        | 17.4%        | 34.5%        |
| <b>Total<br/>(proportional method)</b>  | <b><i>EBITDA</i></b> | <b>434.3</b> | <b>455.1</b> | <b>481.2</b> | <b>516.6</b> | <b>601.3</b> | <b>697.3</b> | <b>672.8</b> | <b>721.7</b> | <b>865.9</b> | <b>937.3</b> |
|   | <b><i>margin</i></b> | <b>14.4%</b> | <b>14.8%</b> | <b>17.5%</b> | <b>18.7%</b> | <b>20.2%</b> | <b>23.5%</b> | <b>21.4%</b> | <b>22.7%</b> | <b>24.2%</b> | <b>26.2%</b> |

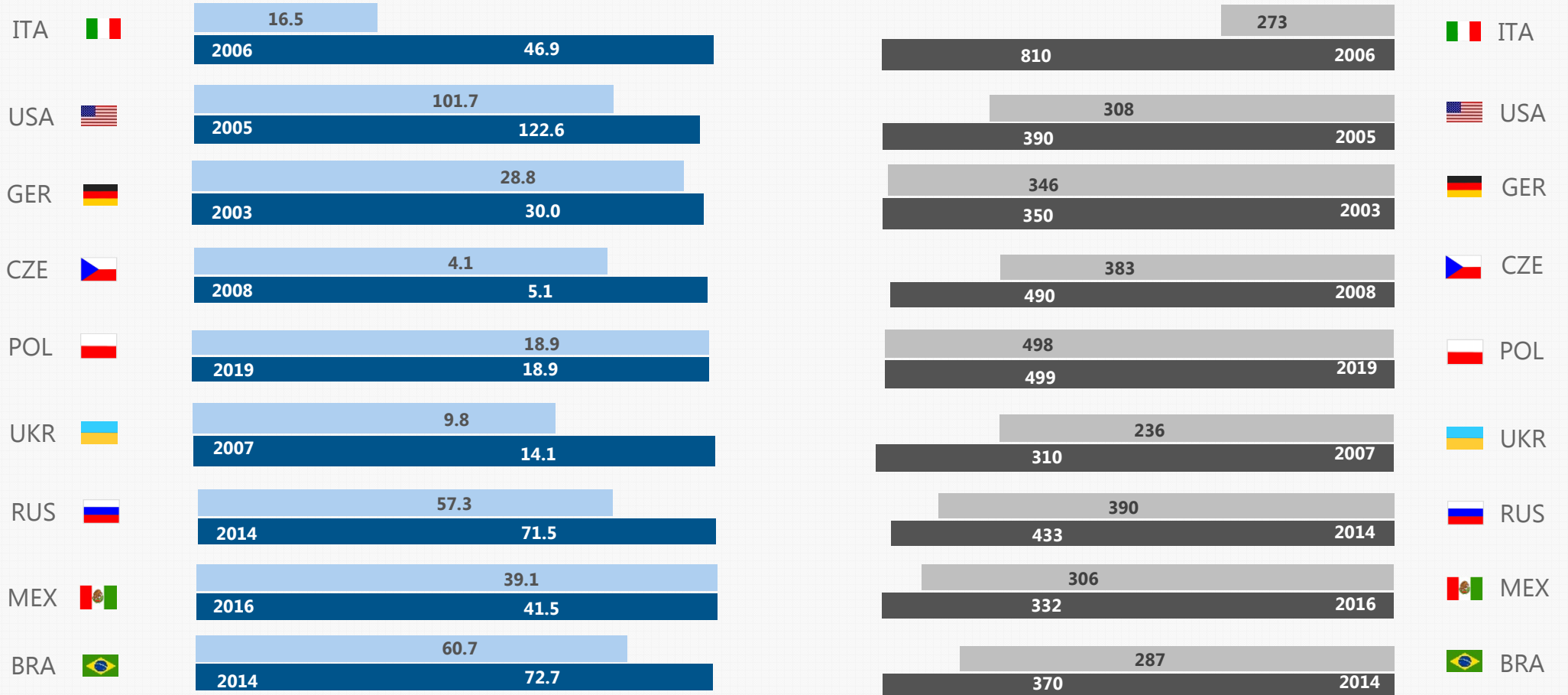
# Net Cash Flow from Operations and Capex development | €m

● % Net cash flow from operations / Net sales  
● % Ordinary capex / Net sales

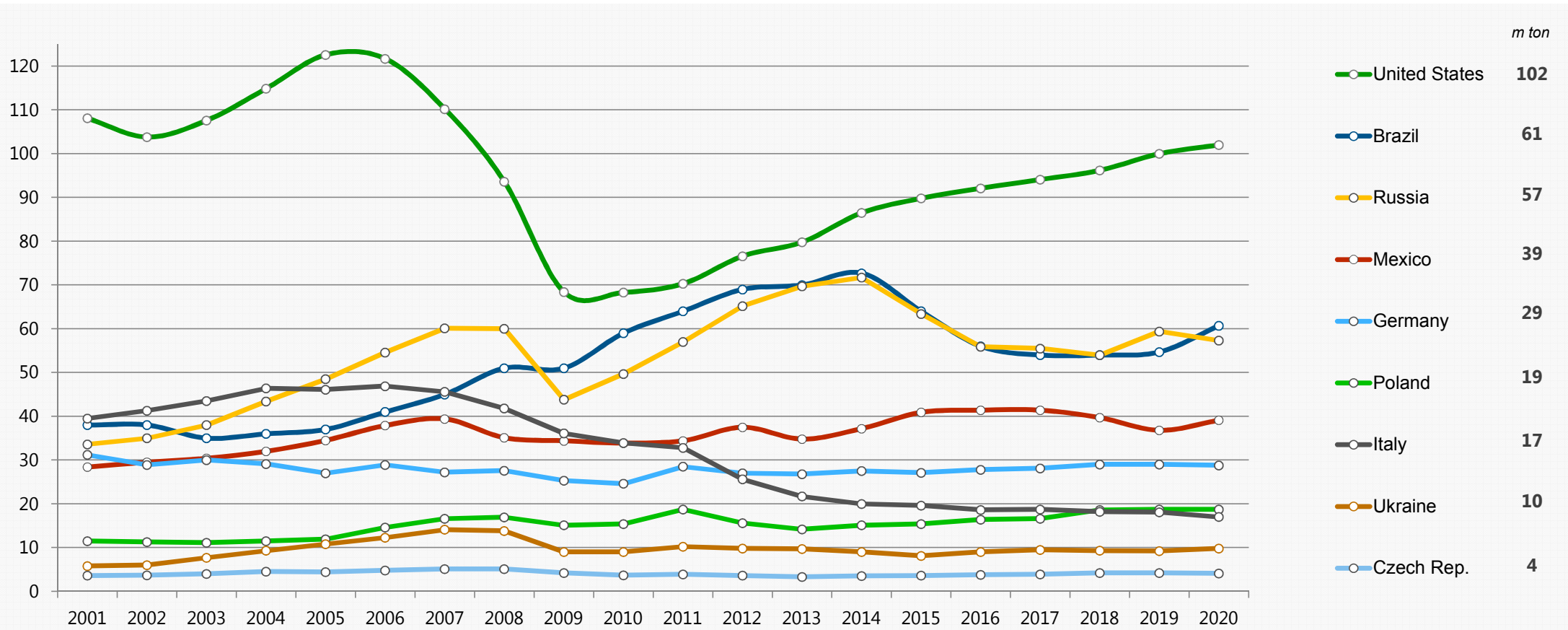


Dyckerhoff shares (above 95%)   
 Dyckerhoff shares (squeeze-out)   
 Uralcement (Korkino, Russia)   
 Gruppo Zillo (Italy)   
 Seibel & Söhne (Germany) BCPAR Brazil   
 Testi, Arquata, Borgo (Italy)   
 Gruppo Zillo (earn out) Dyckerhoff shares (squeeze-out)

## 2020 cement consumption vs peak



# Historical series cement consumption by country





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