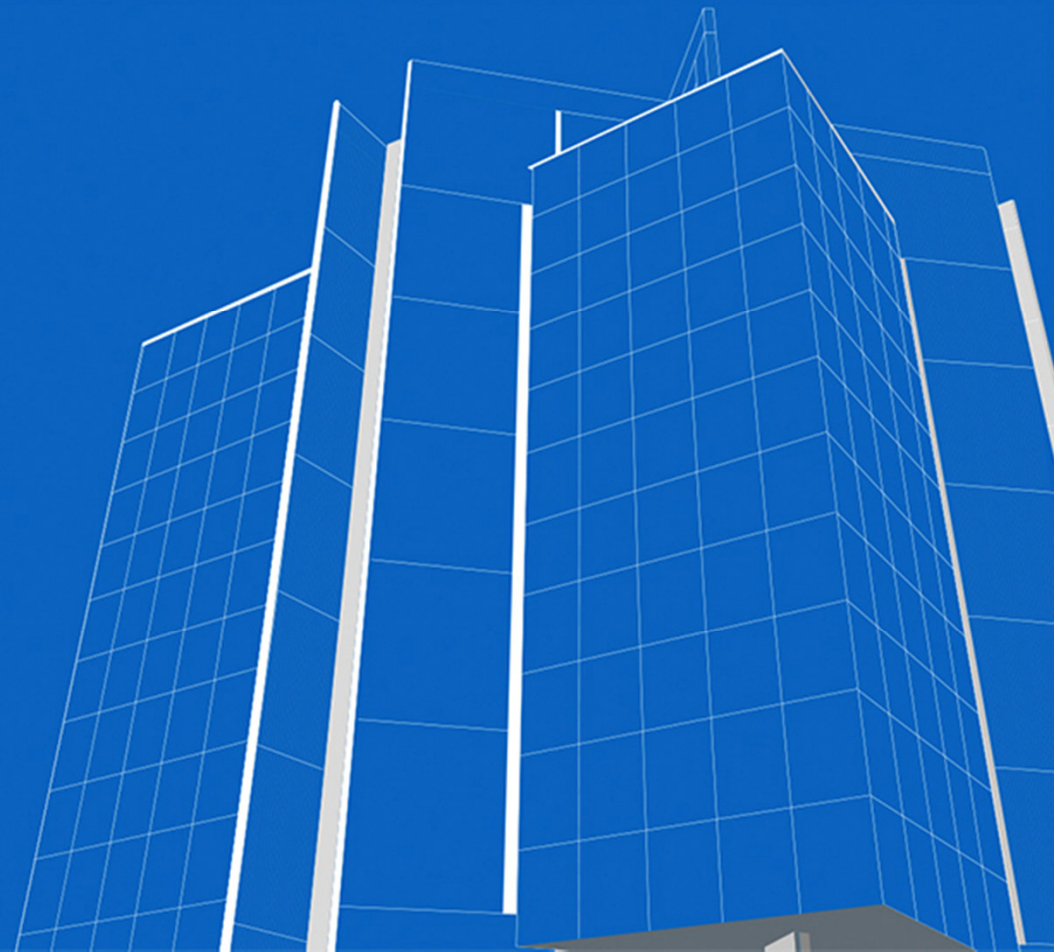


2021 Half year results

3 August 2021



Executive Summary

VOLUMES & PRICES

Overall solid demand and recovery for cement (+10.9%) and ready mix concrete volumes (+7.0%)
Favorable variance across the board for selling prices, mainly in USA and Germany

FOREIGN EXCHANGE

€m 81 unfavorable impact on Net sales and €m 22 on EBITDA from weaker dollar, hryvnia and ruble

FINANCIALS

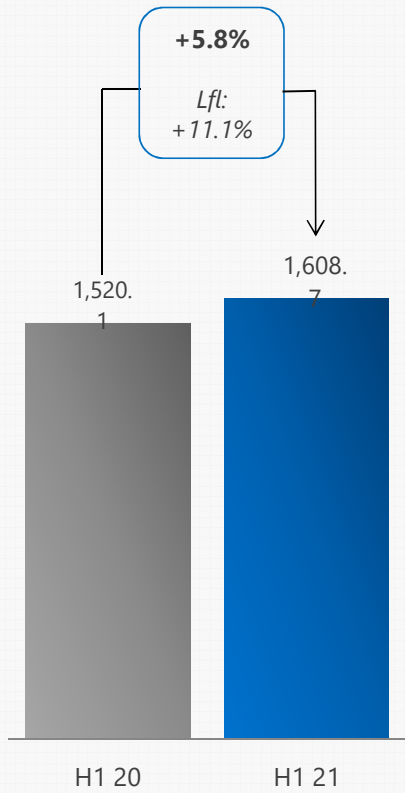
Net sales at €m 1,609 (€m 1,520 in 2020), +5.8% (+11.1% lfl)
EBITDA at €m 352 (€m 314 in 2020), +12.3% (+19.4% lfl)
Net cash from operating activities at €m 219 (€m 214 in 2020)
Net Financial Position stood at €m 109 versus €m 242 at year end 2020.

FY 2021 GUIDANCE

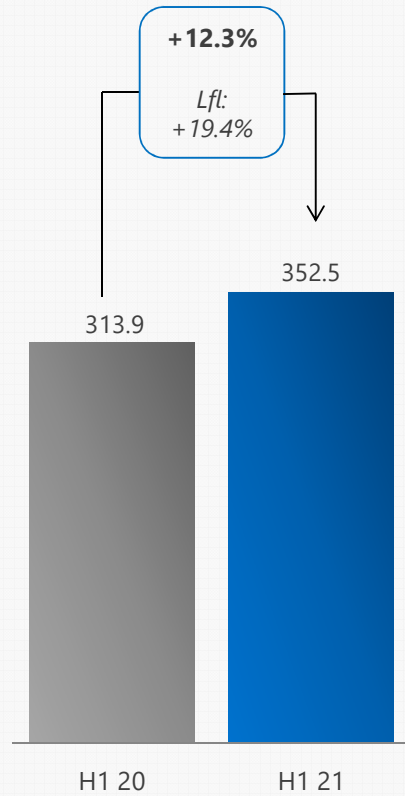
Confident guidance following good developments in H1
Highly satisfactory recurring EBITDA probably not above the 2020 level

H1 21 Highlights

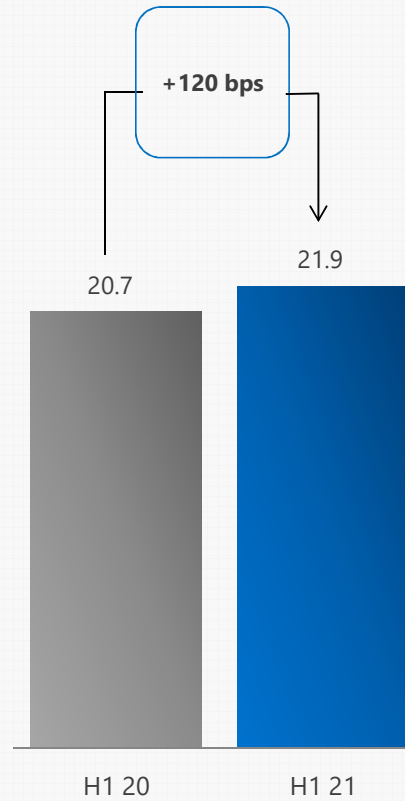
Net Sales (€m)



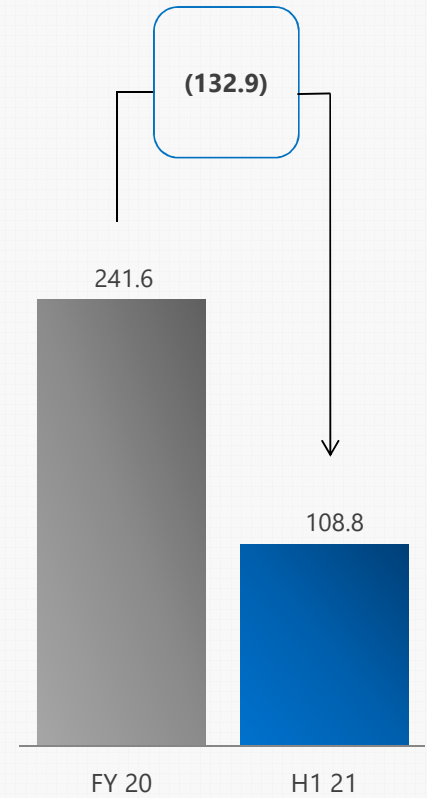
EBITDA (€m)



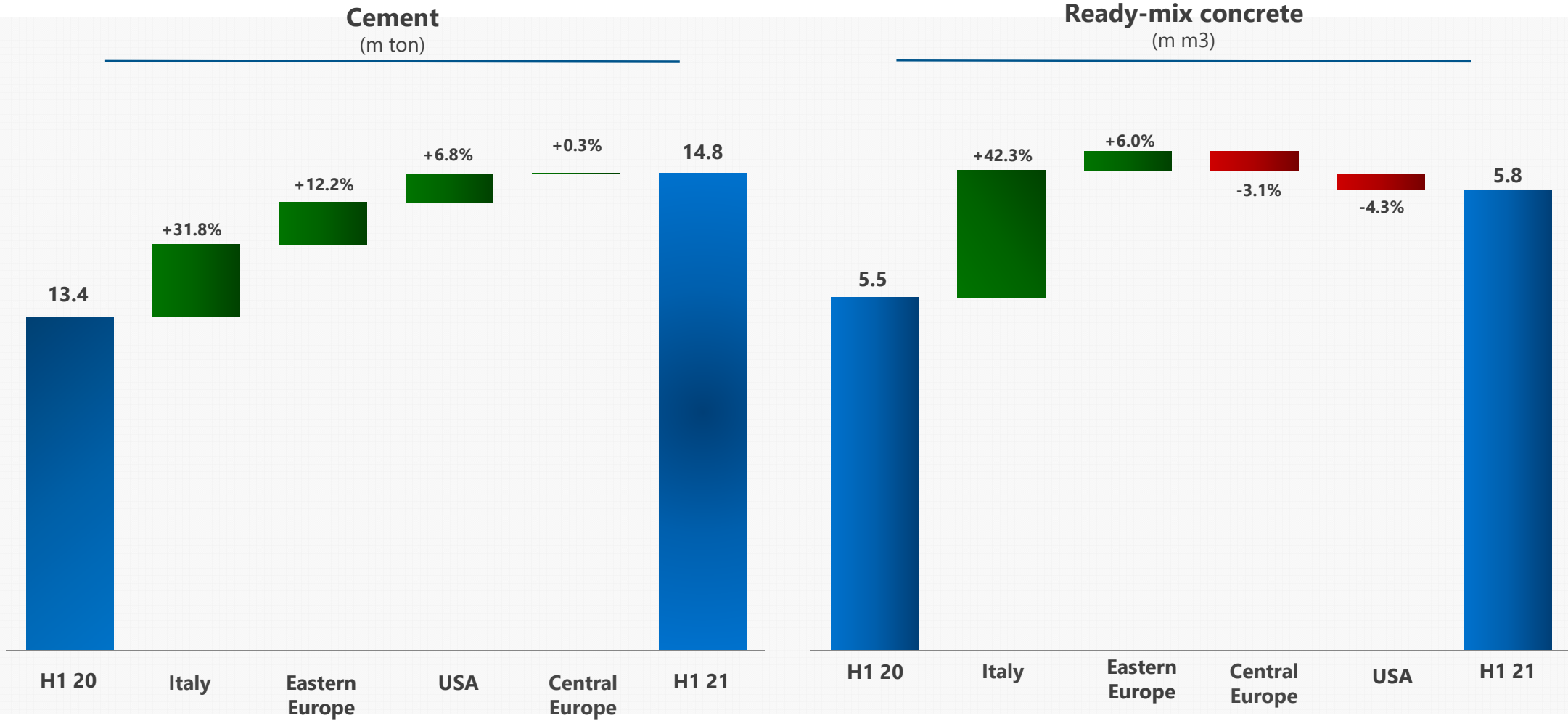
EBITDA margin (%)



Net Debt (€m)



H1 2021 – Cement and Ready-mix volumes variance



Trading by geographical region – Italy and USA

Italy

- Strong demand, driven by residential renovation and public works
- Positive volume and price effect:
 - Cement +31.8% compared to 2020
 - Ready-mix even stronger (+42.3% vs 2020)
 - Favorable trend for selling prices
- EBITDA grew strongly, despite higher energy costs. EBITDA margin more than doubled

EURm	H1 21	H1 20	Δ%	Δ lfl %
Net Sales	305.6	220.8	+38.4	-
EBITDA	32.7	8.8	>100	-
EBITDA margin (%)	10.7	4.0	-	-

United States of America

- Demand has been strong in H1, driven by the residential sector
- Cement volumes up (+6.8%) despite bad weather conditions in May/June; positive variance in prices has been able to offset higher energy costs
- Negative impact from FX on Net sales (-56.2 €m) and EBITDA (-17.0 €m)
- EBITDA +10.3% lfl and EBITDA margin above 30%

EURm	H1 21	H1 20	Δ%	Δ lfl %
Net Sales	599.0	611.6	-2.1	+7.1
EBITDA	181.6	180.1	+0.8	+10.3
EBITDA margin (%)	30.3	29.4		

Trading by geographical region – Central and Eastern Europe

Central Europe

- Soft cement and ready-mix volumes due to adverse weather conditions in Germany (-2.2%). Positive performance in Luxembourg.
- Favorable trend for selling prices, particularly in Germany
- Higher power costs
- No CO₂ cost accounted in H1 21 (€m 8.8 in H1 20)

EURm	H1 21	H1 20	Δ%	Δ Ifl %
Net Sales	428.5	416.3	+2.9	-
EBITDA	67.5	58.2	+16.0	-
EBITDA margin (%)	15.7	14.0		

Eastern Europe

- Solid demand for cement and readymix, except in Poland (slightly weak due to bad weather conditions)
- Average selling prices in local currency showed a slight growth, except in Ukraine
- Negative impact from FX on Net Sales (-24.7 €m) and EBITDA (-5.2 €m)
- EBITDA +13.5% Ifl

EURm	H1 21	H1 20	Δ%	Δ Ifl %
Net Sales	278.3	273.9	+1.6	+10.5
EBITDA	70.4	66.6	+5.8	+13.6
EBITDA margin (%)	25.3	24.3		

Trading by geographical region – Mexico and Brazil

Mexico

- Solid demand driven by residential and public works.
- Cement volumes up (+23.9%). Favorable variance for selling prices
- EBITDA grew strongly (+19.5%), despite higher energy costs
- EBITDA margin slightly down but still the best in the group

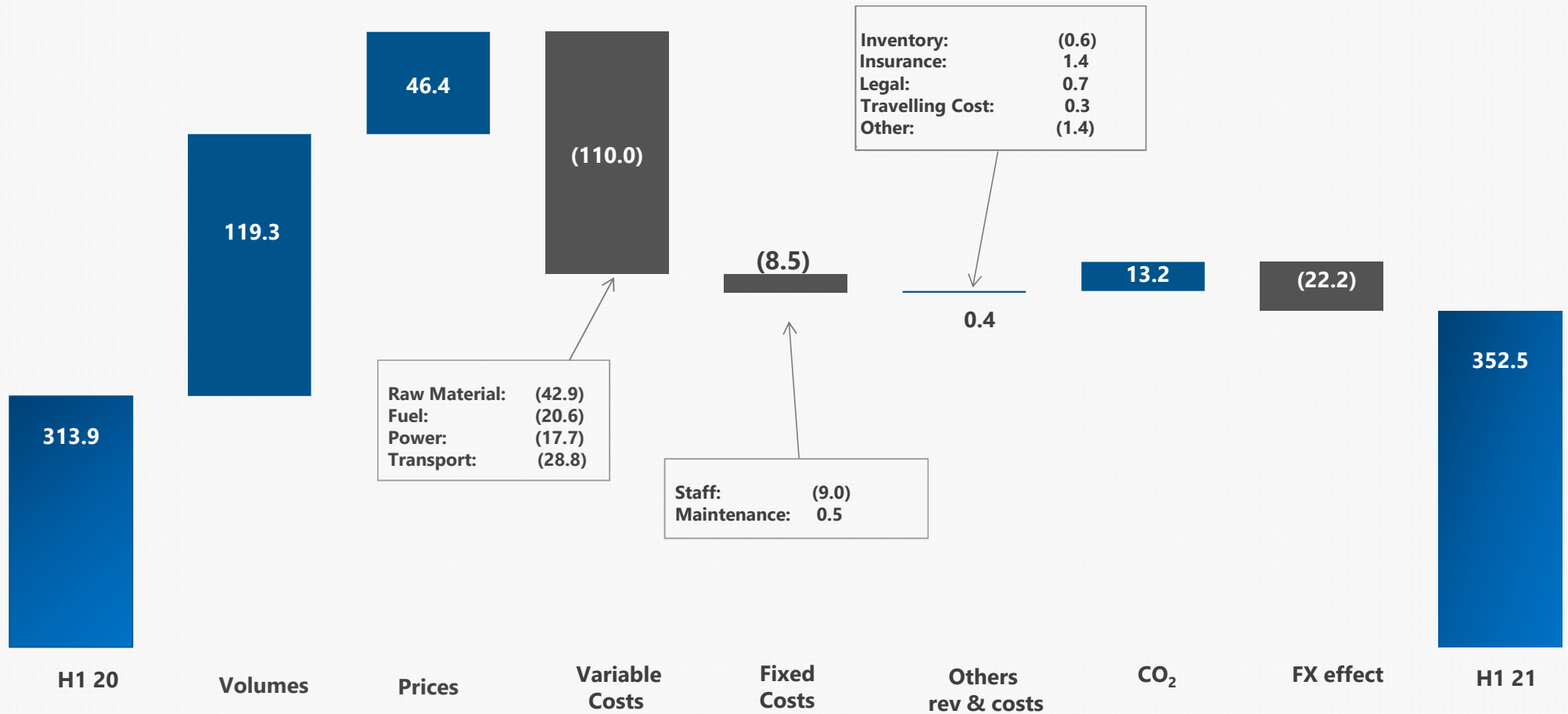
EURm	H1 21	H1 20	Δ%	Δ Ifl %
Net Sales (100%)	337.1	266.8	+26.4	+28.9
EBITDA (100%)	150.9	126.4	+19.5	+21.9
EBITDA margin (%)	44.8	47.4		

Brazil

- Cement volumes up (+45.0%) thanks also to the change in scope
- Average selling prices in local currency showed a solid growth
- Negative impact from FX on Net Sales (21 €m) and EBITDA (7 €m)
- Excluding FX and scope, EBITDA more than doubled with improved operating margin

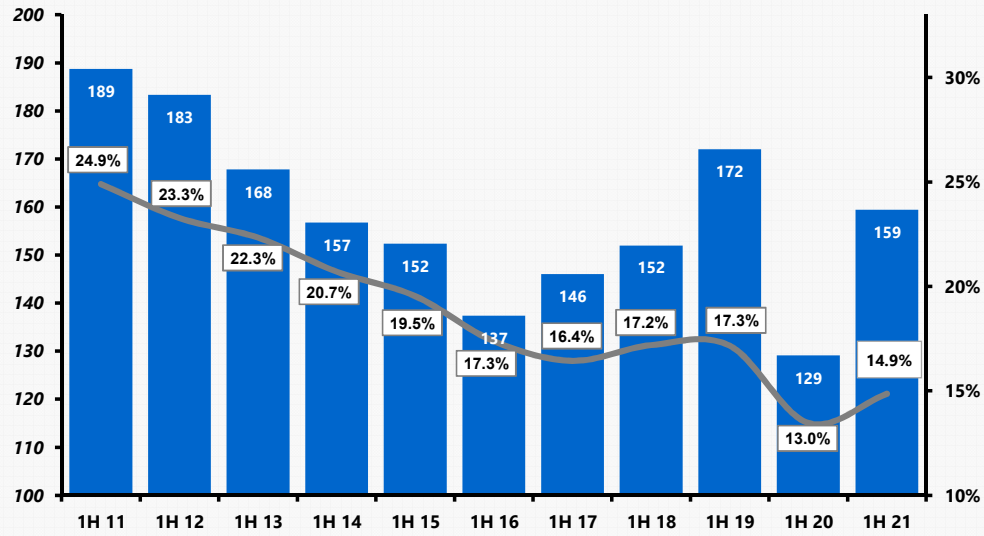
EURm	H1 21	H1 20	Δ%	Δ Ifl %
Net Sales (100%)	106.4	61.2	+73.9	+90.8
EBITDA (100%)	37.0	16.5	>100	>100
EBITDA margin (%)	34.7	27.0		

EBITDA variance analysis



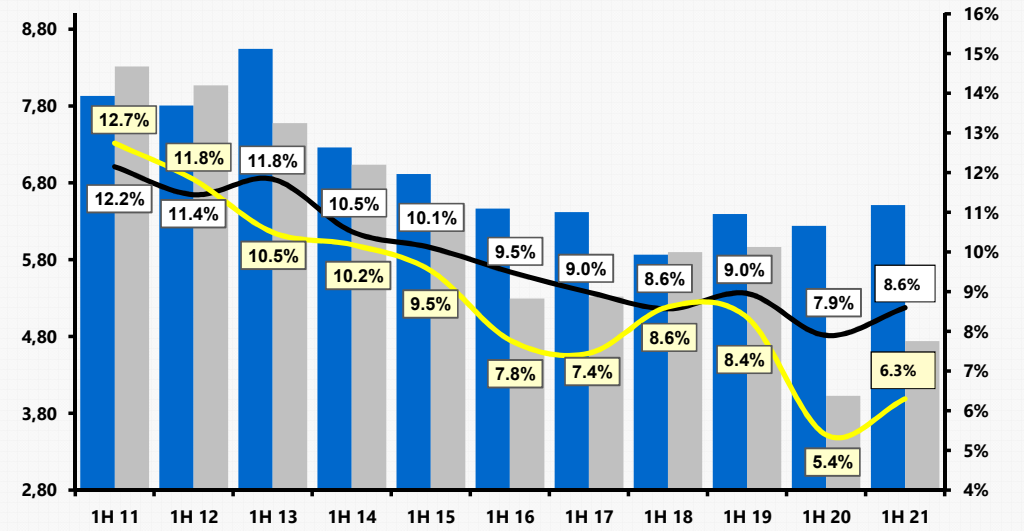
Energy costs impact

Total energy



■ Energy cost (€m)
— Energy cost / Cement revenues

Power & Fuel

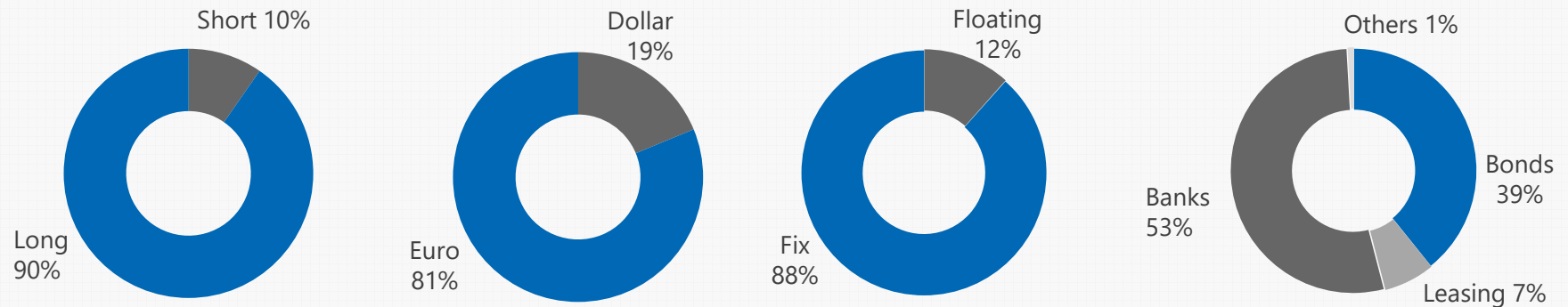


■ Power cost (€/ton)
— Fuel cost / revenues (%)
■ Fuel cost (€/ton)
— Power cost / revenues (%)

Net Financial Position

EURm	Jun 21	Dec 20	Δ	Jun 20
			abs	
Cash and other financial assets	951.8	1,220.9	(269.2)	1,045.0
Short-term debt	(102.2)	(214.2)	112.0	(40.7)
Short-term leasing	(21.1)	(21.4)	0.3	(22.5)
Net short-term cash	828.4	985.3	(156.8)	981.8
Long-term financial assets	214.8	11.0	203.8	2.4
Long-term debt	(1,087.0)	(1,173.4)	86.4	(1,294.2)
Long-term leasing	(65.0)	(64.6)	(0.5)	(75.1)
Net debt	(108.8)	(241.6)	132.9	(385.1)

Gross debt breakdown (1,275.3 €m)



2021 Outlook

Fine tuning of the guidance following sound H1

- Likely negative impact from FX
- Higher energy and CO₂ costs

Italy

Solid demand to continue in H2, still driven by residential renovation and infrastructure.
Positive development of pricing and operating leverage to balance the cost inflation
Higher operating results than 2020

USA

Underlying demand to remain strong also in H2
Volume and price effect able to offset the sharp rise in costs
Operating results, in local currency should confirm the 2020 record

Central Europe

Continuation of a softer demand in H2
Pricing expected to strengthen
Higher costs, (CO₂ and energy) will penalize operating results, expected to be flat vs 2020

Russia

Strong demand in H2, driven by public investments in infrastructure
Assuming the ruble at current values, operating results in euro expected to advance

Czech Republic and Poland

Modest evolution in volumes for H2
Positive price effect
Higher costs, mainly CO₂, will impact operating results, expected to fall short of 2020

Ukraine

Positive development of volumes
Unfavorable trend in selling prices and fuel cost rebounding
Operating results expected to decline versus last year

Mexico

H2 expected to be equally sound as H1
Favorable trend in selling prices
Cost inflation is taking its bite; however operating results should exceed last year level

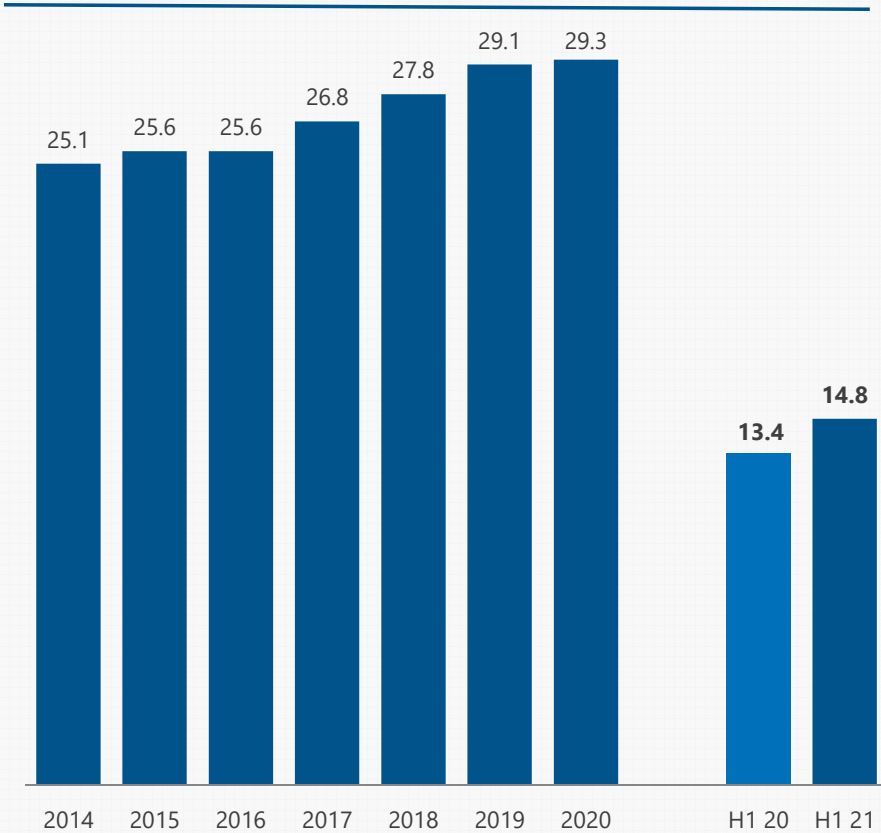
Brazil

Good trend in volumes and prices also in H2
Clear improvement in operating results, driven by the scope change and despite the negative development of the exchange rate

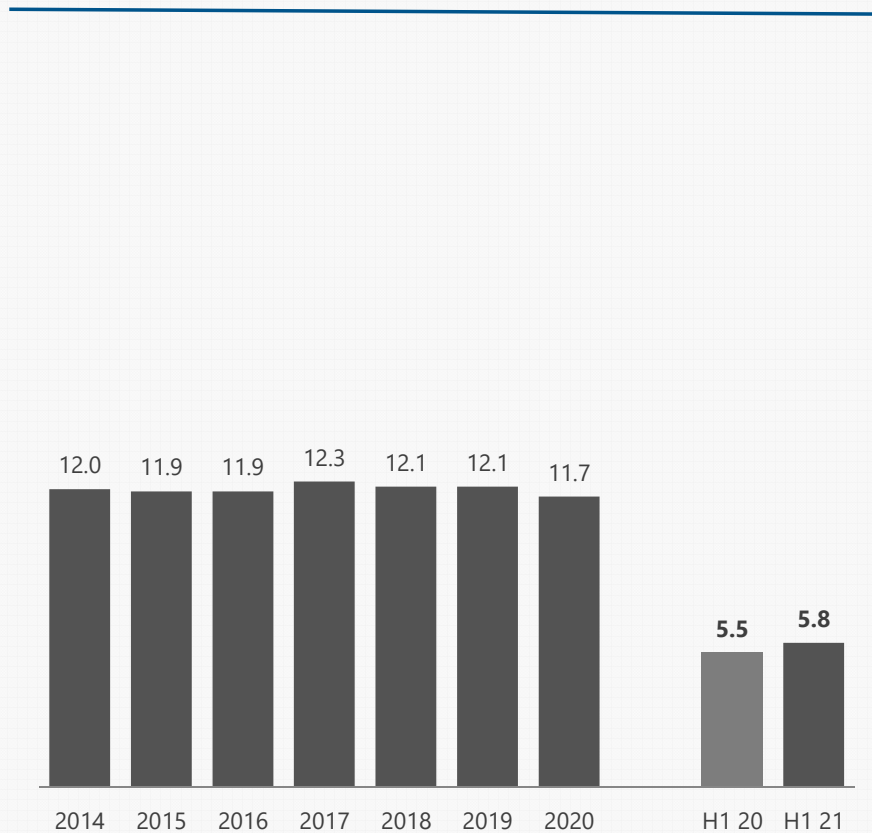
Appendix

Volumes – Cement and Ready-mix concrete

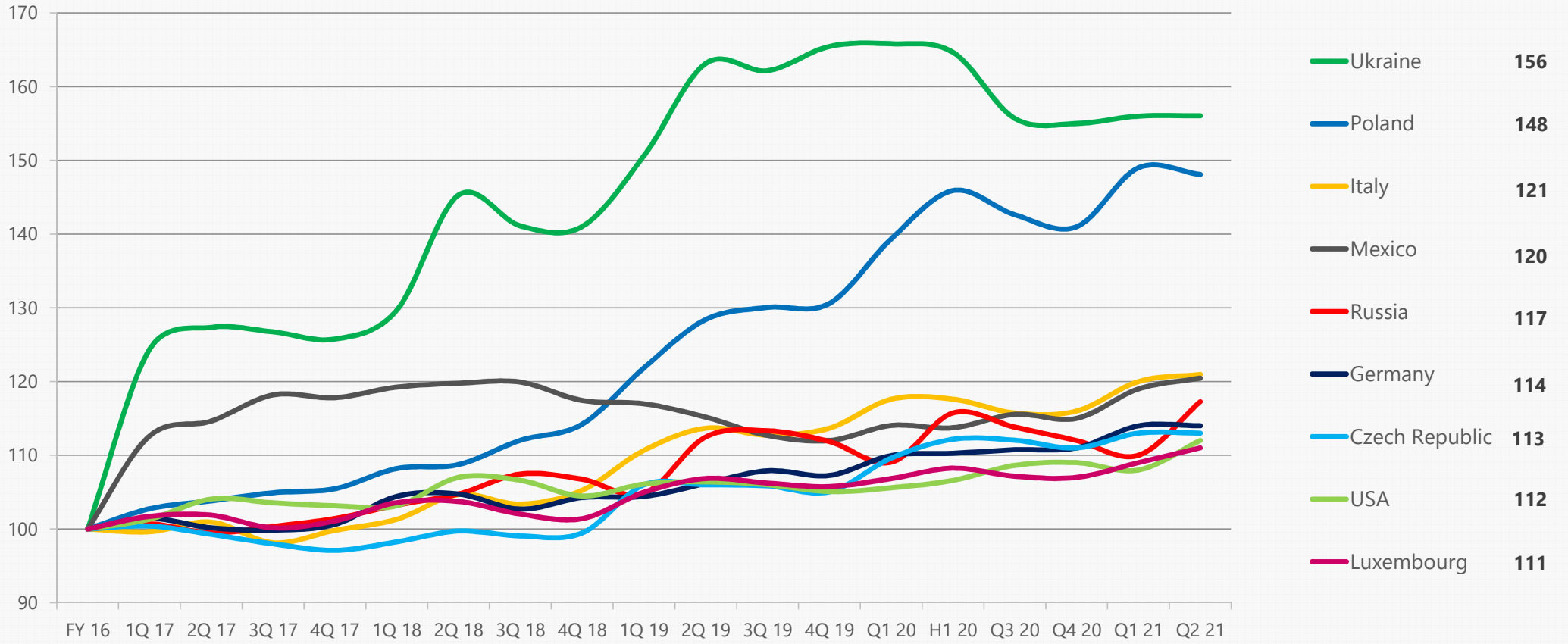
Cement
(m ton)










Ready-mix concrete
(m m3)













Price Index by country













FX changes

		H1 21	H1 20	Δ	2020	Current
EUR 1 =		avg	avg	%	avg	
	USD	1.21	1.10	-9.3	1.14	1.19
	RUB	89.55	76.67	-16.8	82.72	86.71
	UAH	33.46	28.63	-16.9	30.85	31.92
	CZK	25.85	26.33	+1.8	26.46	25.50
	PLN	4.54	4.41	-2.8	4.44	4.56
	MXN	24.33	23.84	-2.0	24.52	23.63
	BRL	6.49	5.41	-20.0	5.89	6.07

Net sales by country

	H1 21	H1 20	Δ	Δ	Forex	Scope	Δ l-f-l
EURm			abs	%	abs	abs	%
 Italy	305.6	220.8	84.8	+38.4	-	-	+38.4
 United States	599.0	611.6	(12.6)	-2.1	(56.2)	-	+7.1
 Germany	341.7	339.4	2.3	+0.7	-	-	+0.7
 Lux / Netherlands	100.6	91.2	9.5	+10.4	-	-	+10.4
 Czech Rep / Slovakia	80.4	75.2	5.2	+6.9	1.3	-	+5.2
 Poland	53.7	55.2	(1.5)	-2.6	(1.5)	-	+0.1
 Ukraine	51.0	51.7	(0.7)	-1.4	(8.6)	-	+15.3
 Russia	93.9	92.9	1.1	+1.2	(15.8)	-	+18.2
<i>Eliminations</i>	<i>(17.3)</i>	<i>(17.9)</i>	<i>0.5</i>				
Total	1,608.7	1,520.1	88.6	+5.8	(80.8)	-	+11.1
 Mexico (100%)	337.1	266.8	70.3	+26.4	(6.8)	-	+28.9
 Brazil (100%)	106.4	61.2	45.2	+73.9	(21.2)	10.9	+90.8

EBITDA by country

EURm	H1 21	H1 20	Δ	Δ	Forex	Scope	Δ l-f-l
			abs	%	abs	abs	%
 Italy	32.7	8.8	23.9	>100	-	-	>100
 United States	181.6	180.1	1.5	+0.8	(17.0)	-	+10.3
 Germany	60.6	51.8	8.8	+16.9	-	-	+16.9
 Lux / Netherlands	6.9	6.4	0.5	+8.4	-	-	+8.4
 Czech Rep / Slovakia	23.4	19.7	3.7	+18.7	0.4	-	+16.6
 Poland	16.2	15.4	0.8	+5.4	(0.5)	-	+8.4
 Ukraine	5.6	6.7	(1.1)	-15.9	(0.9)	-	-1.7
 Russia	25.2	24.8	0.4	+1.6	(4.2)	-	+18.6
<i>Eliminations</i>	<i>0.3</i>	<i>0.3</i>					
Total	352.5	313.9	38.6	+12.3	(22.2)	-	+19.4
 Mexico (100%)	150.9	126.4	24.6	+19.5	(3.1)	-	+21.9
 Brazil (100%)	37.0	16.5	20.5	>100	(7.4)	2.8	>100

Consolidated Income Statement

	H1 21	H1 20	Δ	Δ
EURm			abs	%
Net Sales	1,608.7	1,520.1	88.6	+5.8
EBITDA	352.5	313.9	38.6	+12.3
of which, non recurring	-	-		
<i>% of sales (recurring)</i>	21.9%	20.7%		
Depreciation and amortization	(122.8)	(128.4)	5.7	
Operating Profit (EBIT)	229.7	185.5	44.2	+23.8
<i>% of sales</i>	14.3%	12.2%		
Equity earnings	48.4	148.9	(100.5)	
Net finance costs	(16.0)	(55.0)	39.0	
Profit before tax	262.1	279.4	(17.3)	-6.2
Income tax expense	(52.4)	(62.7)	10.3	
Net profit	209.7	216.7	(6.9)	-3.2
Minorities	(0.1)	(0.1)	0.1	
Consolidated net profit	209.6	216.5	(6.9)	-3.2

Consolidated Cash Flow Statement

EURm	H1 21	H1 20
Cash generated from operations	313.1	256.2
<i>% of sales</i>	<i>19.5%</i>	<i>16.9%</i>
Interest paid	(16.6)	(18.3)
Income tax paid	(77.4)	(23.5)
Net cash from operating activities	219.1	214.4
<i>% of sales</i>	<i>13.6%</i>	<i>14.1%</i>
Capital expenditures	(99.9)	(107.6)
Equity investments	(2.0)	(0.7)
Purchase of treasury shares	-	(7.3)
Dividends paid	(190.7)	(31.9)
Extraordinary dividend	143.3	-
Dividends from associates	31.3	171.0
Disposal of fixed assets and investments	14.8	10.4
Translation differences and derivatives	10.6	(71.2)
Accrued interest payable	3.7	3.3
Interest received	3.5	6.4
Change in scope of consolidation and other	(0.9)	(4.2)
Change in net debt	132.9	182.7
Net financial position (end of period)	(108.8)	(385.1)

2021 Half year results

3 August 2021

