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Oggetto : Board of Directors approves consolidated
results as of 31 March 2022

Testo del comunicato

Vedi allegato.

PRESS RELEASE

Cementir Holding: Board of Directors approves consolidated results as of 31 March 2022

- Revenue: EUR 362.3 million (+20.6% on EUR 300.5 million in the first quarter of 2021)
- EBITDA: EUR 60.7 million (+26.2% on EUR 48.1 million in the first quarter of 2021)
- EBIT: EUR 32.9 million (+56.5% on EUR 21 million in the first quarter of 2021)
- Profit before taxes: EUR 42.4 million (EUR 15.6 million in the first quarter of 2021)
- Net financial debt: EUR 88.6 million (EUR 40.4 million at 31 December 2021)
- Targets for the year are confirmed
- Integration of Sustainability Committee

Rome, 5 May 2022 – The Board of Directors of Cementir Holding N.V. today examined and approved the consolidated unaudited results for the first quarter of 2022.

Financial highlights

(Euro millions)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales and services	362.3	300.5	20.6%
EBITDA	60.7	48.1	26.2%
<i>EBITDA/Revenue from sales and services %</i>	<i>16.7%</i>	<i>16.0%</i>	
EBIT	32.9	21.0	56.5%
Net financial income (expense) and share of net profits of equity-accounted investees	9.5	(5.4)	n.m.
Profit before taxes	42.4	15.6	171.5%

Sales volumes

('000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Grey, White cement and Clinker (metric tonnes)	2,435	2,393	1.8%
Ready-mixed concrete (m ³)	1,128	1,126	0.1%
Aggregates (metric tonnes)	2,679	2,543	5.4%

Net financial debt

(millions of euros)	31-03-2022	31-12-2021	31-03-2021
Net financial debt	88.6	40.4	167.8

Group employees

	31-03-2022	31-12-2021	31-03-2021
Number of employees	3,142	3,083	3,079

"In the first quarter of 2022 Cementir achieved excellent operating results, with revenues growing by more than 20%, EBITDA by 26% and EBIT by more than 56% compared to the same period of 2021, despite the rising cost pressures" commented Francesco Caltagirone Jr, Chairman and Chief Executive Officer.

In the first three months of 2022, cement and clinker **sales volumes** of 2.4 million tonnes were up 1.8% compared to 2021. The increase is attributable to the positive performance of Belgium, Denmark and the United States despite the decline in Turkey.

Sales volumes of ready-mixed concrete, equal to 1.1 million cubic meters, remained almost stable with growth in Belgium and Norway and a fall in Turkey, Sweden and Denmark.

In the aggregates sector, sales volumes amounted to 2.7 million tonnes, up by 5.4% with increases in Belgium and Turkey, while Sweden and Denmark recorded a negative trend.

Group **revenue** reached EUR 362.3 million, up 20.6% compared to EUR 300.5 million in the first quarter of 2021. The revenue increase is essentially driven by prices linked to the increase in the costs of fuels, electricity, raw materials, transport and services. At constant 2021 exchange rates, revenue would have reached EUR 381.7 million, up 27% on the same period of the previous year.

Operating costs of EUR 333.1 million increased by 29.9% compared to EUR 256.6 million in the first quarter of 2021.

The **cost of raw materials** rose to EUR 182.8 million (EUR 123.7 million in the first quarter of 2021), due to the generalised increase in fuel prices on international markets and higher volumes of activity mainly in Denmark and Belgium.

Personnel costs, equal to EUR 48.8 million, increased by 4.2% compared to EUR 46.8 million in the first quarter of 2021.

Other operating costs, equal to EUR 101.5 million, recorded an increase of 18% compared to EUR 86 million in the first quarter of 2021.

EBITDA amounted to EUR 60.7 million, an increase of 26.2% compared to EUR 48.1 million in the first quarter of 2021, following better results achieved to varying degrees in almost all the Regions driven to a large extent by the revenue increase as described above.

EBITDA margin stood at 16.7%, showing an increase in industrial profitability compared to the first quarter of 2021 (16.0%).

At constant exchange rates with previous year 2021, EBITDA would have been EUR 56.8 million, up 18.1% compared to the same period last year.

After EUR 27.8 million of amortisation, depreciation, write-downs and provisions (EUR 27.0 million in the first quarter of 2021), **EBIT** reached EUR 32.9 million compared to EUR 21.0 million in the same period of the previous year. Amortisation and depreciation due to IFRS 16 application was EUR 7.1 million compared to EUR 6.8 million in the same period of 2021.

At constant 2021 exchange rates, EBIT would have been EUR 28.3 million.

The **share of net profits of equity-accounted investees** is marginally negative (marginally positive in Q1 2021).

Net financial income was EUR 9.5 million (expense of EUR 5.4 million in the same period of the previous year), including net financial charges of EUR 2.0 million (EUR 3.2 million in 2021), net foreign exchange gains of EUR 10.9 million (net foreign exchange losses of EUR 1.1 million in 2021) and the impact of the valuation of derivatives.

Pre-tax profit was EUR 42.4 million (EUR 15.6 million in Q1 2021).

Net financial debt as at 31 March 2022 was EUR 88.6 million (EUR 167.8 million at 31 March 2021). The debt reduction in the last twelve months, equal to EUR 79.2 million, includes both the purchase of treasury shares¹ for EUR 13.4 million and the distribution of dividends for EUR 21.9 million in May 2021. Net financial debt includes IFRS 16 impact of EUR 75.3 million compared to EUR 84.2 million as at 31 March 2021.

The negative variance of EUR 48.3 million versus net financial debt as at 31 December 2021 is due to the seasonality of the business in the first quarter of the year, which is reflected in net working capital dynamics and in the annual plant maintenance cycle.

Total equity as at 31 March 2022 amounted to EUR 1,264.5 million (EUR 1,227.6 million as at 31 December 2021).

Performance by geographical segment

Nordic and Baltic

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	162,000	138,447	17.0%
<i>Denmark</i>	109,048	92,611	17.7%
<i>Norway / Sweden</i>	50,683	43,785	15.8%
<i>Other</i> ⁽¹⁾	15,503	13,164	17.8%
<i>Eliminations</i>	(13,234)	(11,113)	
EBITDA	28,840	27,079	6.5%
<i>Denmark</i>	24,561	23,446	4.8%
<i>Norway / Sweden</i>	4,163	3,091	34.7%
<i>Other</i> ⁽¹⁾	116	542	-78.6%
EBITDA Margin %	17.8%	19.6%	
Investments	10,809	11,211	

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

Denmark

In the first quarter of 2022, sales revenues reached EUR 109 million, up 17.7% compared to EUR 92.6 million in the first quarter of 2021, thanks to sustained demand in all business activities and the increase of sales prices.

¹ On 12 October 2021 the buyback program was completed, with the purchase of no. 3,600,000 treasury shares equal to 2.2624% of the share capital.

Cement volumes on the domestic market, both grey and white, increased by around 20% due to growth in all the main market segments, due to favourable weather conditions and the start of new infrastructure projects.

Exports of white cement, on the other hand, fell by 19%, due to lower deliveries to the United States following a supply reorganization within the Group which transferred shipments to the United States from Denmark to other Group units.

Ready-mixed concrete volumes in Denmark fell by 3% compared to the corresponding quarter of 2021 due to the sales mix and restructuring activities at one of the plants.

EBITDA reached EUR 24.6 million in the first quarter of 2022 (EUR 23.4 million in 2021), up 4.8% compared to 2021. The increase is attributable to the cement sector which benefited from higher volumes and sales prices, offsetting higher variable costs for raw materials, fuel and electricity, on the rise due to inflationary dynamics and recent international tensions. The ready-mixed concrete sector, on the other hand, recorded a contraction in EBITDA due to lower sales volumes and higher cement, raw materials and distribution costs.

Norway and Sweden

In **Norway**, ready-mixed concrete sales volumes increased by approximately 14% compared to the same period of the previous year due to the strong recovery of infrastructural and civil activities against a decline in residential and commercial. Despite competitive pressures in some regions, volumes increased also thanks to higher sales from new mobile plants operating from 2022.

It is important to underline that the Norwegian krone depreciated by 3.3% against the average euro exchange rate in the first quarter of 2021.

In **Sweden**, ready-mixed concrete and aggregate volumes fell by 20% and 28% respectively, compared to the previous year, mainly due to the completion in 2021 of major infrastructure projects near Malmö and the slowdown in the private residential sector. The production of aggregates was also constrained by the procedures in getting new concessions for quarries exploitation. However new projects are expected to start in the coming months.

The Swedish krona depreciated by 4.2% against the average euro exchange rate in the first quarter of 2021.

In the first quarter of 2022, sales revenues in Norway and Sweden grew by 15.8%, and were equal to EUR 50.7 million compared to EUR 43.8 million in the first quarter of 2021, while EBITDA increased by 34.7% to EUR 4.2 million (EUR 3.1 million in the same period of 2021).

The EBITDA increase is attributable to Norway thanks to higher volumes and sales prices against higher cement, raw materials, distribution and fixed costs due to inflationary dynamics.

Belgium

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	76,076	63,018	20.7%
EBITDA	15,967	9,814	62.7%
EBITDA Margin %	21.0%	15.6%	
Investments	2,476	4,215	

In the first quarter of 2022, cement sales volumes increased by 5% compared to 2021, with positive trend in Belgium and the Netherlands, stable in France and contracting in Germany.

Ready-mixed concrete sales volumes in Belgium and France increased by approximately 18% in the first three months of 2022, also thanks to the launch of some major projects in various areas of Belgium.

Aggregates sales volumes increased by approximately 16% compared to the corresponding first three months of 2021. Sales in Belgium benefited from the growth in infrastructure construction, positive weather conditions and the acquisition of new customers. In France, on the other hand, there has been a recovery in the road construction sector. However, the trend in business was marked by the increase in the price of fuels.

Overall, in the first quarter of 2022, sales revenues grew by 20.7% to EUR 76.1 million compared to EUR 63.0 million in the same period of 2021 and EBITDA increased by 62.7% to EUR 16 million, compared to EUR 9.8 million the previous year.

In the cement sector, revenues and EBITDA benefited from sales volumes growth and better prices, despite an increase in raw materials, transport and electricity costs. In the aggregates sector, the increase in EBITDA was driven by higher volumes and sales prices as well as efficiencies on the side of variable costs.

North America

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	44,620	34,893	27.9%
EBITDA	6,894	4,079	69.0%
EBITDA Margin %	15.5%	11.7%	
Investments	3,444	1,514	

In the United States, the 3.5% growth in white cement sales volumes was driven by higher deliveries, especially in Texas and California. In both regions, demand was very high and is expected to grow in the next few months, especially in the residential and bagged cement sectors.

The York region, on the other hand, was affected by adverse weather conditions and logistical problems caused by the shortage of truck drivers in the country. Florida also saw a drop in sales due to technical problems on the Tampa depot and critical issues with distribution logistics at some terminals.

The dollar appreciated by 7% against the average Euro exchange rate in the first quarter of 2021.

Overall, in the United States, revenues increased by 27.9% to EUR 44.6 million (EUR 34.9 million in the first quarter of 2021) while EBITDA increased by 69% to EUR 6.9 million (EUR 4.1 million in 2021), due to higher volumes and sales prices and the positive exchange rate effect, offset by higher purchased cement, raw materials and fuels costs. The Vianini Pipe company, active in the production of concrete products, recorded an increased EBITDA compared to the previous year and significantly increased both volumes and sales prices.

Turkey

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	41,360	35,556	16.3%
EBITDA	1,632	1,051	55.3%
EBITDA Margin %	3.9%	3.0%	
Investments	5,145	3,591	

Revenues reached EUR 41.4 million, an increase of 16.3% compared to the first quarter of 2021 (EUR 35.6 million), despite the devaluation of the Turkish lira against the euro (-76% compared with the average exchange rate in the first quarter of 2021).

In the cement sector, in the general inflationary context, the increase in sales prices led to a 108% increase in revenues from sales in local currency. Sales volumes in the domestic market fell by 9% due to the significant reduction in sales at the Elazig plant (-55%), in Eastern Anatolia only partially offset by higher deliveries from the Izmir plant (+ 20%) in the Aegean region for the continued reconstruction following the earthquake of October 2020. The contraction in Elazig is also attributable to the end of infrastructure projects related to the reconstruction following the January 2020 earthquake.

Weather conditions in January were the worst in the last 25 years, and, especially in the months of January and March, prevented work at the concrete plants, and at many construction sites, due to rain, snow and low temperatures. The situation improved in February, with the exception of Elazig, but did not allow the full recovery of the volumes lost in January.

The consequences in the coming months of the conflict in Ukraine, with the consequent increase in the price of various commodities and energies, must be assessed.

Cement and clinker exports, on the other hand, increased by 4%.

Ready-mixed concrete volumes also fell by 10% compared to the first quarter of 2021, due to bad weather conditions. Sales stopped in the second half of January in Eastern Anatolia and for a week in January in the Marmara (Trakya) region, resulting in the postponement or interruption of numerous large projects.

Volumes of aggregates, on the other hand, increased compared to the first quarter of 2021, due to the full operation of the new quarry acquired in the second part of 2021.

In the waste sector, the subsidiary Sureko, active in the treatment of industrial waste, recorded revenues in local currency higher by 109% compared to 2021, thanks to volumes and fuels (RDF) sales prices increase and higher landfill volumes. The British subsidiary Quercia, on the other hand, recorded revenues down by 5.7% compared to the first quarter of 2021, due to decline in waste collection and lower landfill volumes.

Overall, EBITDA reached EUR 1.6 million, an improvement on the previous year (EUR 1.1 million). The increase in EBITDA is attributable to the cement sector thanks to higher sales prices despite higher raw materials, fuels and electricity and fixed costs due to inflation, compounded by the significant devaluation of the Turkish lira. The ready-mixed concrete sector recorded an EBITDA reduction due to higher raw materials, cement and distribution costs in addition to higher fixed costs, only partially offset by higher sales prices.

Egypt

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	14,316	12,872	11.2%
EBITDA	2,527	3,037	-16.8%
EBITDA Margin %	17.7%	23.6%	
Investments	335	244	

Sales revenues grew by 11.2% to EUR 14.3 million (EUR 12.9 million in the first quarter of 2021), despite lower volumes sold both on the local and export markets.

White cement domestic sales volumes were affected by some deliveries to customers brought forward to December 2021 in anticipation of the year end.

EBITDA decreased by 16.8% to EUR 2.5 million (EUR 3.0 million in the first quarter of 2021), due to lower volumes sold and higher fuel purchase costs partially offset by higher selling prices.

In the quarter, the Egyptian pound appreciated by 4.7% compared to the average Euro exchange rate in the first quarter of 2021; in the final days of the month, the pound devalued by 20% compared to the closing exchange rate of the month of February.

Asia Pacific

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	25,337	20,976	20.8%
<i>China</i>	13,386	10,844	23.4%
<i>Malaysia</i>	11,951	10,132	18.0%
<i>Eliminations</i>	-	-	
EBITDA	4,281	3,701	15.7%
<i>China</i>	2,937	2,512	16.9%
<i>Malaysia</i>	1,344	1,189	13.0%
EBITDA Margin %	16.9%	17.6%	
Investments	2,117	1,908	

China

Sales revenues increased by 23.4% to EUR 13.4 million (EUR 10.8 million in the first quarter of 2021) despite lower sales volumes by 3% compared to the corresponding quarter of 2021 due to a marked slowdown recorded at Chinese New Year, combined with adverse weather conditions. The contraction in volumes was offset by sales prices increase.

EBITDA increased by 16.9% to EUR 2.9 million (EUR 2.5 million in the same period of 2021), thanks to the increase in sales prices, the positive exchange rate effect and higher grants from government agencies for technological innovations and employment support, only partially offset by higher fuel costs and lower sales volumes.

The Chinese Renminbi appreciated by 9% against the average euro exchange rate in the first quarter of 2021.

Malaysia

Sales revenues increased by 18% to EUR 12 million (EUR 10.1 million in the corresponding period of 2021) with a 2% rise in overall volumes. The rest of the increase was driven by prices to offset transport and fuel costs inflation.

On the other hand exports volumes increased by 7% compared to 2021, thanks to the higher clinker volumes to Australia only partially offset by the lower volumes in Vietnam.

EBITDA reached EUR 1.3 million, up 13% compared to EUR 1.2 million in the corresponding quarter of 2021. Higher average sales prices and lower fixed costs associated with maintenance planning were offset by higher purchase of fuel and distribution costs.

The local currency appreciated by 4% compared to the average Euro exchange rate in the corresponding quarter of 2021.

Holding and Services

(EUR'000)	1 st Quarter 2022	1 st Quarter 2021	Change %
Revenue from sales	48,200	24,040	100.5%
EBITDA	531	(683)	177.7%
EBITDA Margin %	1.1%	-2.8%	
Investments	10,477	419	

This grouping includes the parent company, Cementir Holding, the trading company, Spartan Hive, and other minor companies. The increase in revenues of Spartan Hive, equal to more than 100%, is attributable to the higher volumes traded, in particular of clinker, white cement and fuels, while EBITDA increased to EUR 2.5 million (EUR 1.2 million in the first quarter of 2021).

Significant events during and after the first quarter

On 8 February 2022, the Board of Directors' of the Parent Company approved the 2022 – 2024 Industrial Plan. Please refer to the press release issued on that date.

Outlook for 2022

In light of the first quarter results, the objectives for 2022, communicated on 8 February 2022, are confirmed: consolidated revenues of over EUR 1.5 billion, EBITDA between EUR 305 and EUR 315 million and net cash position of approximately EUR 60 million at the end of the year, including industrial investments of approximately EUR 95 million. The Group workforce is expected to be stable over the period.

This forward-looking indication does not take into account any escalation of the current Ukrainian crisis or any resurgence of the Covid-19 pandemic. Since the expectations described above are based on a series of assumptions that are beyond the management's control, the actual results could differ significantly from these forecasts.

The foregoing exclusively reflects the point of view of the company's management, and does not represent a guarantee, a promise, an operational suggestion or even just an investment advice. Therefore, it should not be taken as a forecast support on the future trend of the markets and financial instruments concerned.

Integration of the Sustainability Committee

The Board of Directors today also integrated the Sustainability Committee with the inclusion of the lawyer Adriana Lamberto Floristan, Non-Executive Director recently appointed by the Shareholders' Meeting, in consideration of her relevant expertise in ESG matters.

The Sustainability Committee is therefore currently made up of four directors, namely Francesco Caltagirone (Chairman) and the independent non-executive directors Chiara Mancini, Veronica De Romanis and Adriana Lamberto Floristan.

* * *

The Interim Financial Report as at 31 March 2022, unaudited, will be published in the manner and within the deadline required by current regulations.

* * *

The results of the first quarter of 2022 will be presented to the financial community in a **conference call** to be held today, Thursday 5 May, at 4:30 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 2022 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 2022 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)	1 st Quarter 2022	1 st Quarter 2021	Chg %
REVENUE FROM SALES AND SERVICES	362,302	300,518	20.6%
Change in inventories	16,219	(1,242)	N/A
Increase for internal work and other income	15,281	5,352	185.5%
TOTAL OPERATING REVENUE	393,802	304,628	29.3%
Raw materials costs	(182,802)	(123,724)	47.8%
Personnel costs	(48,802)	(46,815)	4.2%
Other operating costs	(101,526)	(86,011)	18.0%
TOTAL OPERATING COSTS	(333,130)	(256,550)	29.9%
EBITDA	60,672	48,078	26.2%
<i>EBITDA Margin %</i>	<i>16.75%</i>	<i>16.00%</i>	
Amortisation, depreciation, impairment losses and provisions	(27,760)	(27,047)	2.6%
EBIT	32,912	21,032	56.5%
<i>EBIT Margin %</i>	<i>9.08%</i>	<i>7.00%</i>	
Share of net profits of equity-accounted investees	(24)	7	N/A
Net financial income (expense)	9,519	(5,419)	N/A
NET FINANCIAL INCOME (EXPENSE) AND VALUATION OF INVESTMENTS IN EQUITY	9,495	(5,412)	N/A
PROFIT (LOSS) BEFORE TAXES OF THE PERIOD	42,407	15,620	171.5%

Fine Comunicato n.0091-15

Numero di Pagine: 13