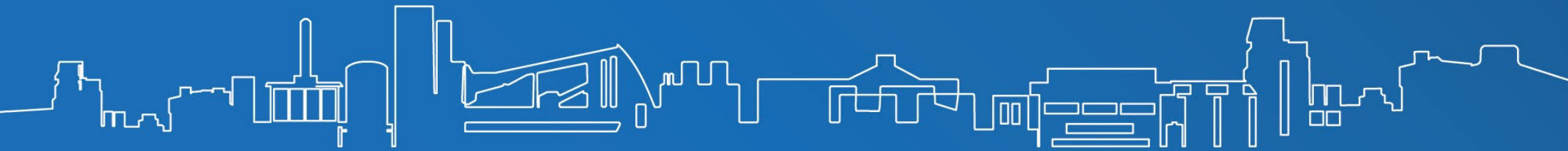


# Infrastructure & Energy Day - Borsa Italiana

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Milano, 8 September 2022



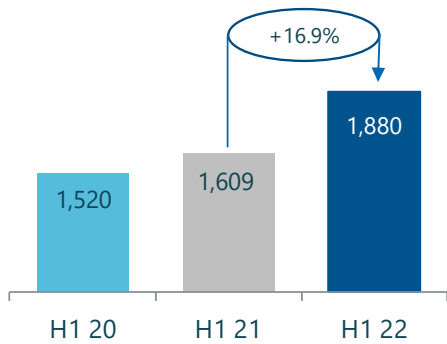
# AGENDA

- 
1. H1 2022 HIGHLIGHTS
  2. 2022 OUTLOOK
  3. OUR JOURNEY TO NET ZERO
- APPENDIX

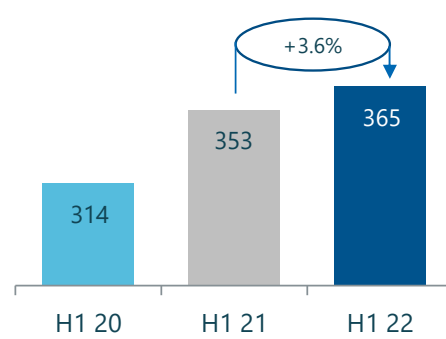
# 1. H1 2022 HIGHLIGHTS

# H1 2022 HIGHLIGHTS

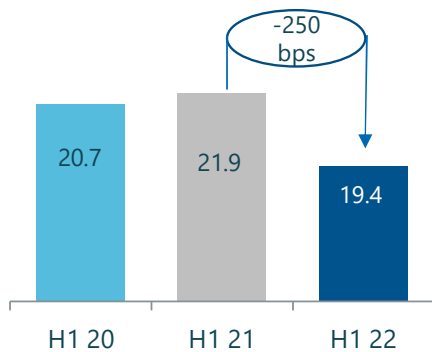
**Net Sales (€m)**



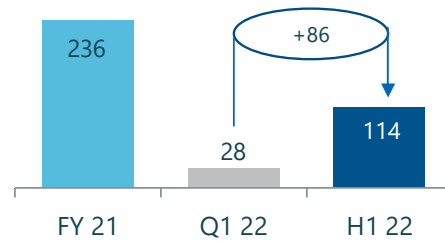
**EBITDA (€m)**



**EBITDA Margin (%)**



**NFP (€m)**



## H1 2022 IN BRIEF



Overall stable demand across the regions. High inflation and uncertainties started to have an impact, mainly in Europe



Sequential double-digit prices increases implemented in every country with Italy, Eastern Europe and USA leading the way



Price over cost negative in H1 but prices started to catch up in Q2



Strong net sales growth (+12.1% lfl) in all regions, driven by solid pricing. EBITDA just slightly down lfl vs H1 2021 due to higher costs (energy +70%)

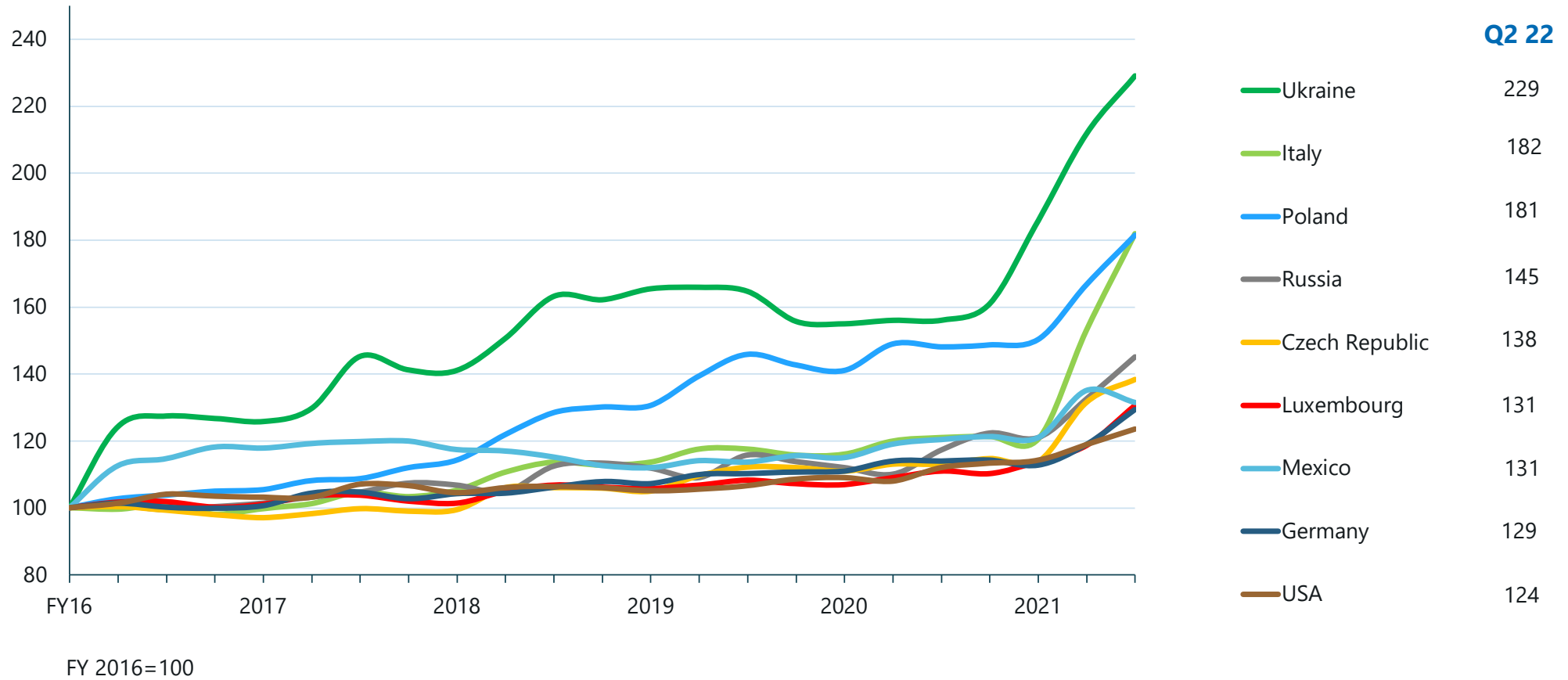


Net cash position at 114 €m, improved vs Q1 but still lower vs 2021 due to the spike in working capital and share buyback



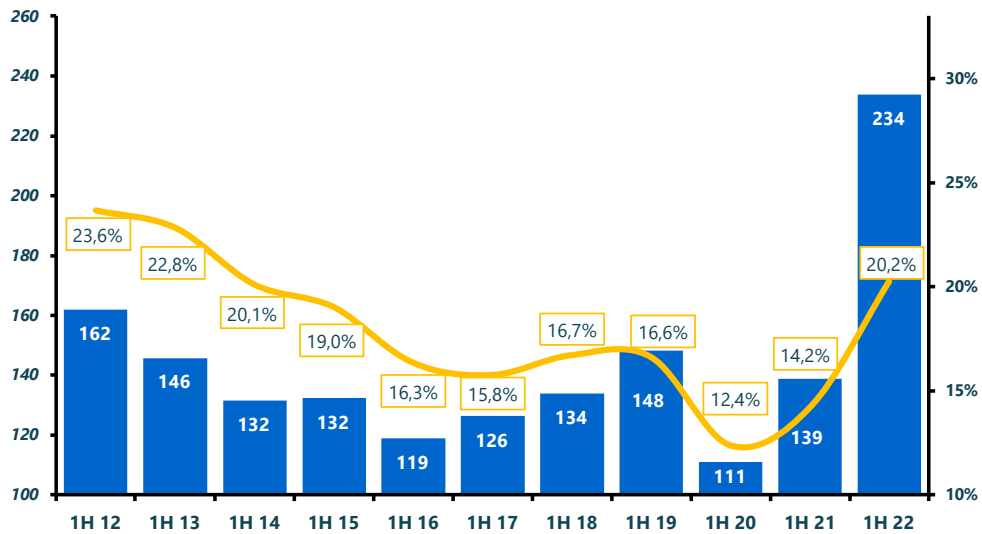
Revised guidance for 2022: Recurring EBITDA to possibly reach a level similar to 2021

# PRICE INDEX BY COUNTRY



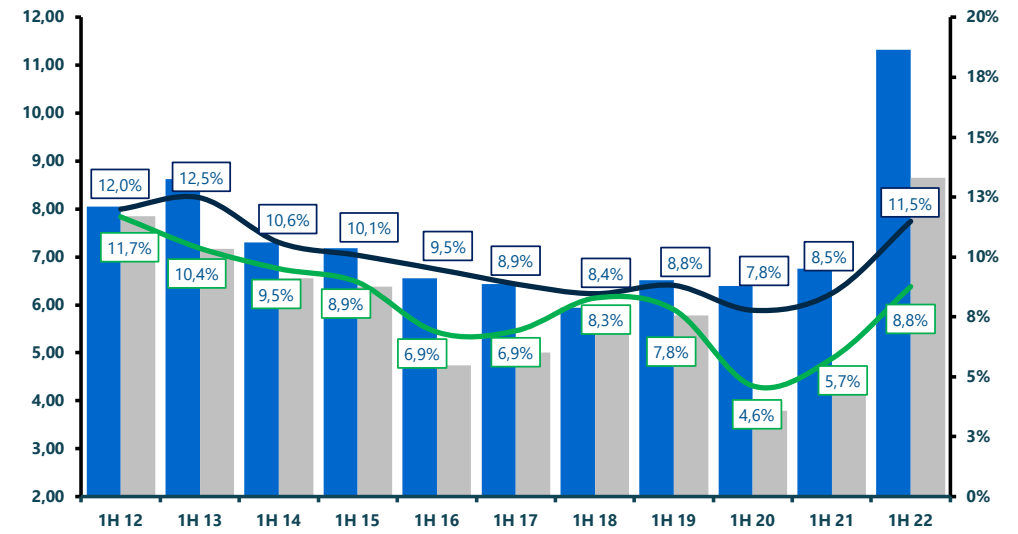
# ENERGY COSTS IMPACT

## Total energy (excl. Russia)



■ Energy cost (€m)  
— Energy cost / Revenues\*

## Power & Fuel (excl. Russia)

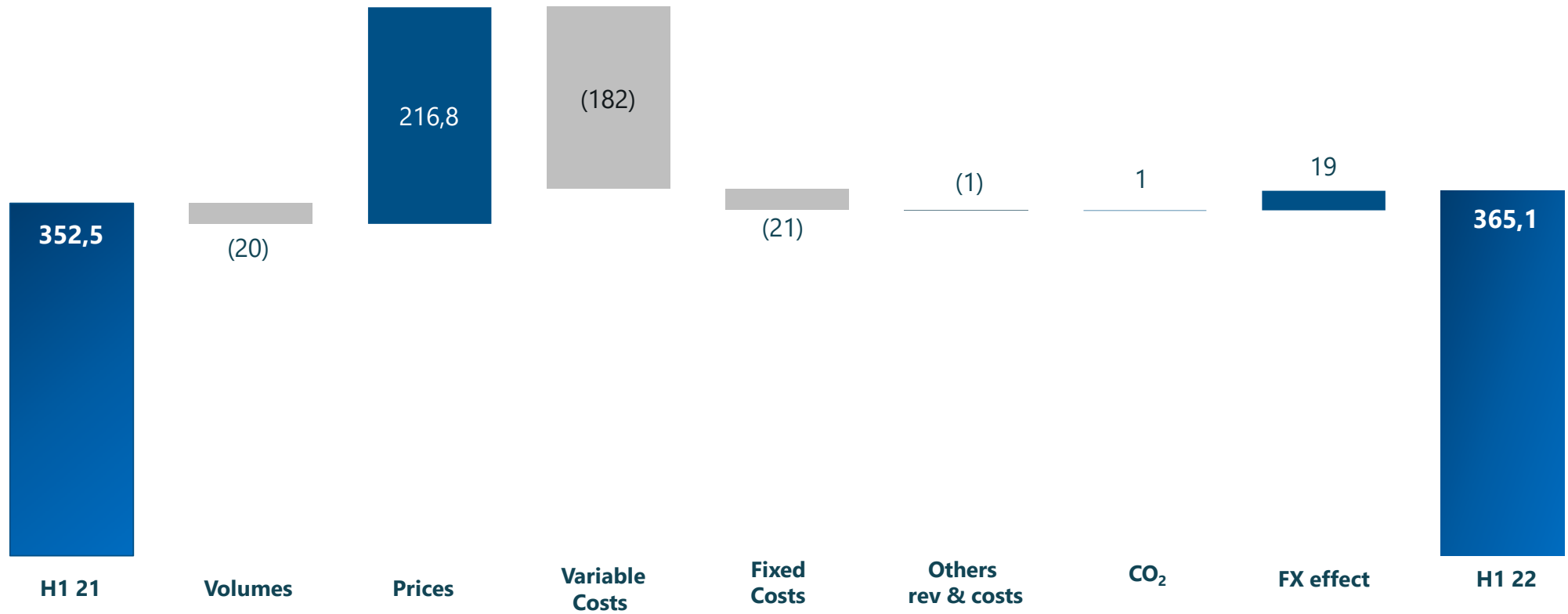


■ Power cost (€/ton)  
— Power cost / Revenues\* (%)  
■ Fuel cost (€/ton)  
— Fuel cost / Revenues\* (%)

\*only cement

# EBITDA VARIANCE ANALYSIS

EURm



## FX CHANGES

	<b>H1 2022</b>	<b>H1 2021</b>	<b>D</b>	<b>2021</b>	<b>Current</b>
<b>EUR 1 =</b>	avg	avg	%	avg	
USD	1.09	1.21	9.3	1.18	1.0
RUB	85.41	89.55	4.6	87.15	61.45
UAH	31.73	33.46	5.2	32.26	37.42
CZK	24.65	25.85	4.7	25.64	24.48
PLN	4.64	4.54	-2.2	4.57	4.70
MXN	22.17	24.33	8.9	23.99	20.10
BRL	5.56	6.49	14.4	6.38	5.22



## NET SALES BY COUNTRY

	H1 2022	H1 2021	Δ	Δ	FX	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
Italy	357.9	305.6	52.3	+17.1	-	-	+17.1
United States	726.5	599.0	127.5	+21.3	67.4	-	+10.0
Germany	392.9	341.7	51.2	+15.0	-	-	+15.0
Lux / Netherlands	116.4	100.6	15.8	+15.7	-	(0.4)	+16.2
Czech Rep / Slovakia	96.7	80.4	16.2	+20.2	4.1	-	+15.1
Poland	68.4	53.7	14.7	+27.3	(1.5)	-	+30.1
Ukraine	28.3	51.0	(22.7)	-44.5	1.5	-	-47.4
Russia	114.3	93.9	20.4	+21.7	5.3	-	+16.1
<i>Eliminations</i>	<i>(21.4)</i>	<i>(17.3)</i>	<i>(4.0)</i>				
<b>Total</b>	<b>1,880.0</b>	<b>1,608.7</b>	<b>271.2</b>	<b>+16.9</b>	<b>76.8</b>	<b>(0.4)</b>	<b>+12.1</b>
Mexico (100%)	353.1	337.1	15.9	+4.7	31.4	-	-4.6
Brazil (100%)	179.6	106.4	73.1	+68.7	25.8	(33.0)	+13.4

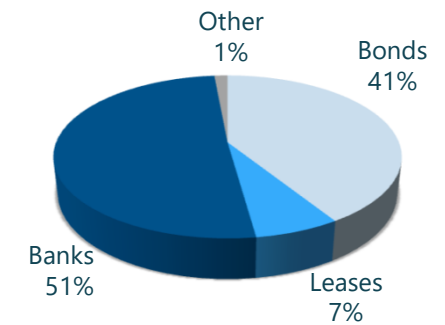
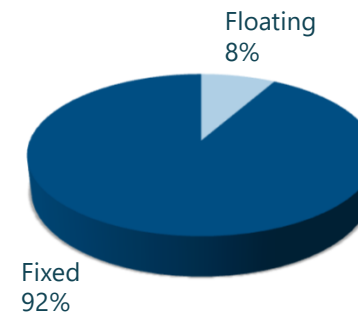
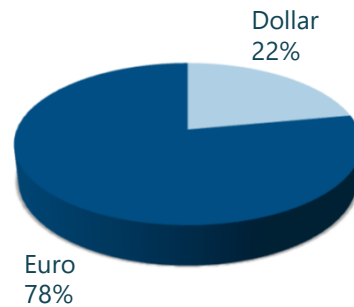
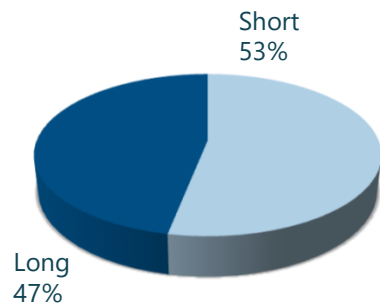
## EBITDA BY COUNTRY

	H1 2022	H1 2021	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
Italy	35.6	32.7	2.9	+8.9	-	-	+8.9
United States	180.6	181.6	(1.0)	-0.6	16.8	-	-9.8
Germany	64.5	60.6	3.9	+6.5	-	-	+6.5
Lux / Netherlands	4.8	6.9	(2.1)	-30.0	-	(0.1)	-29.2
Czech Rep / Slovakia	29.4	23.4	5.9	+25.4	1.4	-	+19.6
Poland	17.6	16.2	1.4	+8.8	(0.4)	-	+11.2
Ukraine	-3.5	5.6	(9.1)	n.s.	(0.2)	-	n.s.
Russia	36.0	25.2	10.8	+43.0	1.7	-	+36.4
<i>Adjustments</i>	<i>0.1</i>	<i>0.3</i>					
<b>Total</b>	<b>365.1</b>	<b>352.5</b>	<b>12.6</b>	<b>+3.6</b>	<b>19.2</b>	<b>(0.1)</b>	<b>-1.9</b>
Mexico (100%)	149.5	150.9	(1.4)	-0.9	13.3	-	-9.7
Brazil (100%)	46.6	37.0	9.6	+26.0	6.7	(5.9)	-8.0

## NET FINANCIAL POSITION

	Jun 22	Dec 21	Δ	Jun 21
<b>EURm</b>			abs	
Cash and other financial assets	1,062.3	1,207.5	(145.2)	951.8
Short-term debt	(621.6)	(155.1)	(466.5)	(102.2)
Short-term leasing	(23.6)	(22.5)	(1.2)	(21.1)
<b>Net short-term cash</b>	<b>417.1</b>	<b>1,029.9</b>	<b>(612.8)</b>	<b>828.5</b>
Long-term financial assets	267.3	252.3	15.0	214.8
Long-term debt	(512.0)	(990.9)	478.9	(1,087.0)
Long-term leasing	(58.2)	(55.8)	(2.4)	(65.0)
<b>Net debt</b>	<b>114.2</b>	<b>235.5</b>	<b>(121.3)</b>	<b>(108.8)</b>

Gross debt breakdown ( 1.215,4 €m )



## 2. 2022 OUTLOOK

## 2022 OUTLOOK



During H2, construction activity in Italy and Central Europe may be penalized by less favorable development in the residential sector, which bears the higher financing and construction costs, and some delays in the implementation of infrastructure plans.  
Construction activity in the USA expected to continue to be lively.



Selling prices should continue to fuel revenue growth in H2



Production costs expected to remain at record level but in H2 comps should be easier (except for Italy)



Thanks to better visibility on the year, guidance raised compared to previous indications:  
2022 recurring EBITDA expected to be in line with 2021

## 3. OUR JOURNEY TO NET ZERO

# OUR JOURNEY TO NET ZERO

## HOW TO GET THERE

Proven track record in CO<sub>2</sub> emissions reduction.  
Already reduced by ~20% CO<sub>2</sub> emissions in 2021 vs 1990.

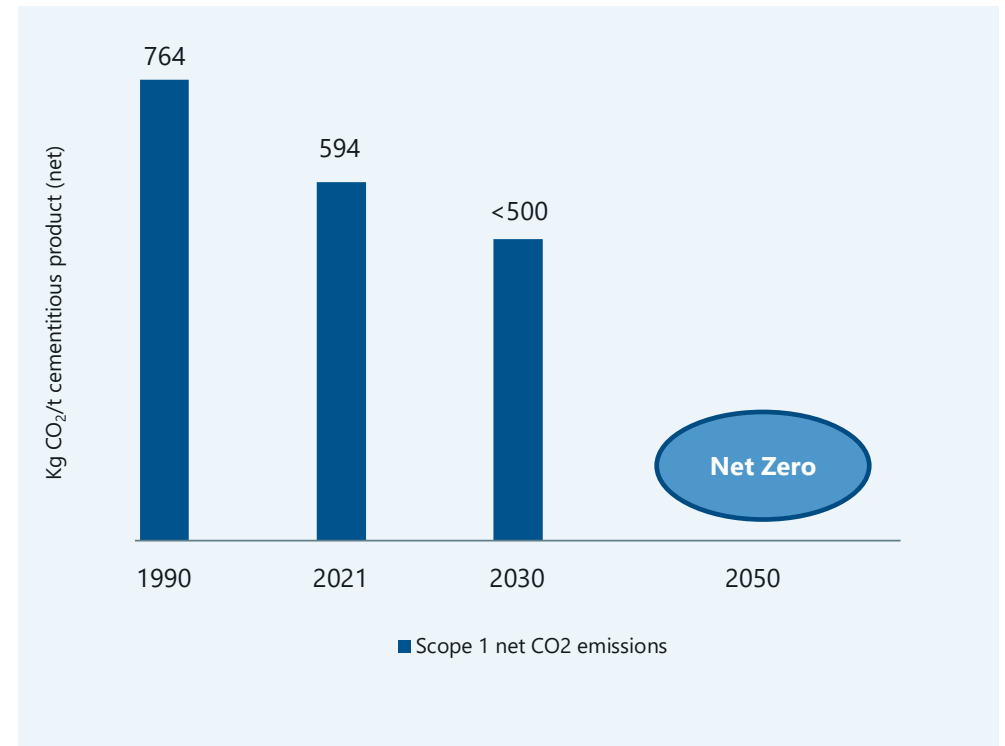
## NEXT CHAPTER: NEW, SCIENCE BASED, REDUCTION TARGETS

Targeting to achieve CO<sub>2</sub> emissions (scope 1 net) below 500 kg per ton of cementitious material by 2030, meaning another 20% reduction vs 2021 level\*.

TCFD alignment  
SBTi validation on-going

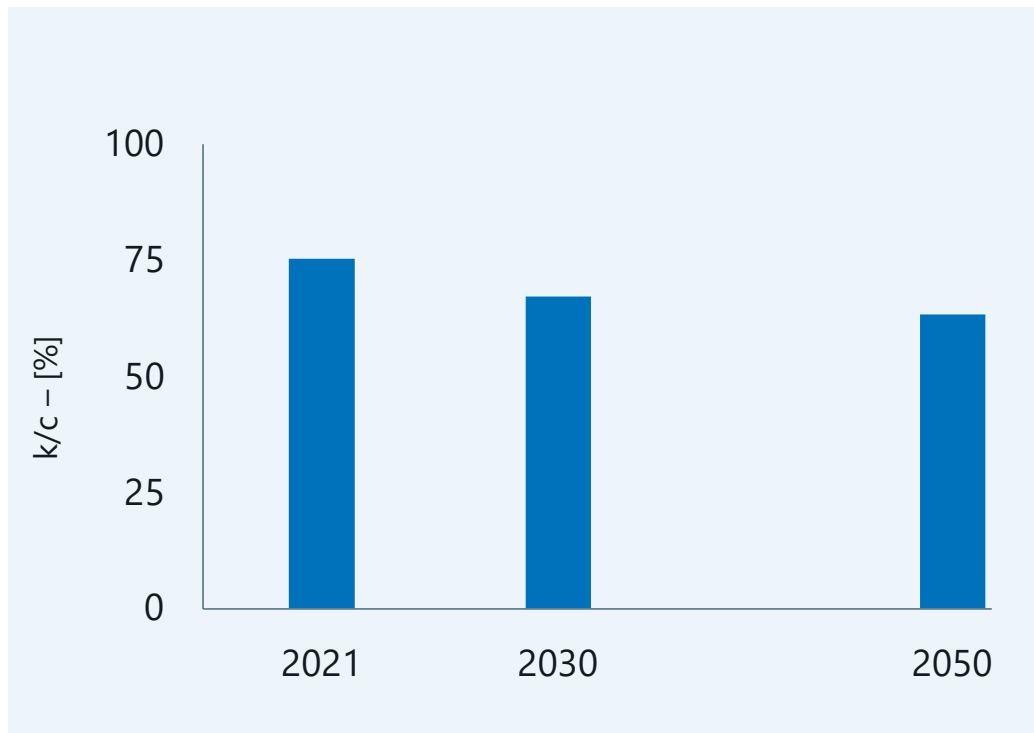
## ROADMAP 2030 – 2050

Realistic path to turn ambition into reality



\*scope including Brazil, excluding Russia

## CLINKER CONTENT IN CEMENTS



**75.4%**

In 2021

**67.3%**

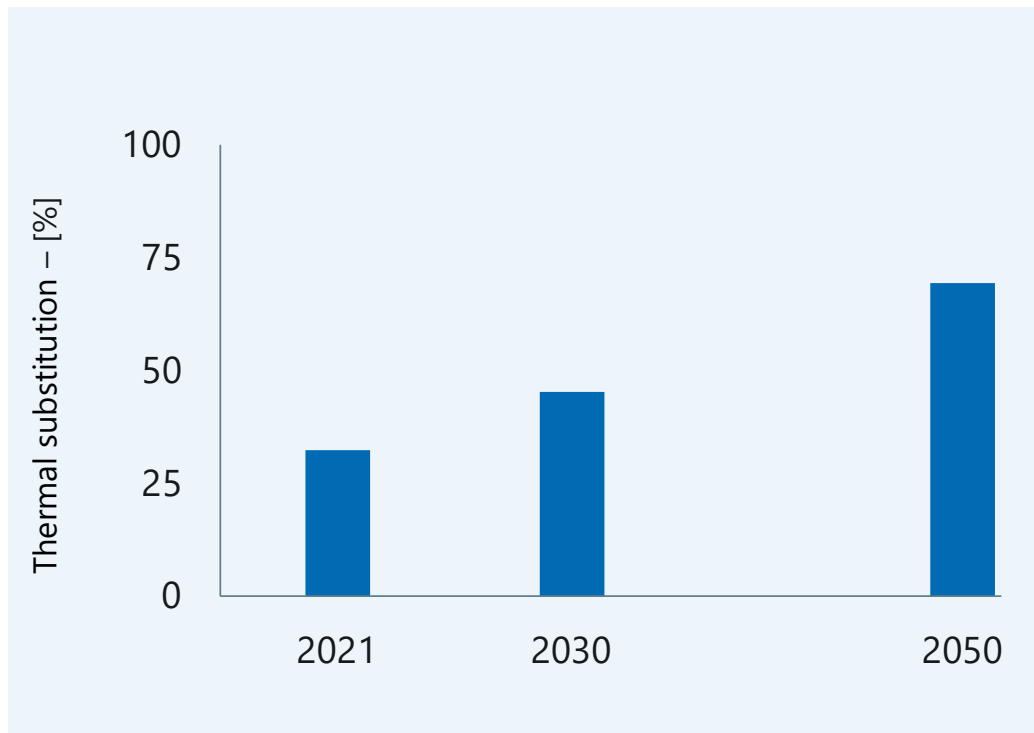
In 2030

**63.4%**

In 2050



## ALTERNATIVE FUELS WITH BIOMASS CONTENT



**32.4%**

In 2021

**45.4%**

In 2030

**69.5%**

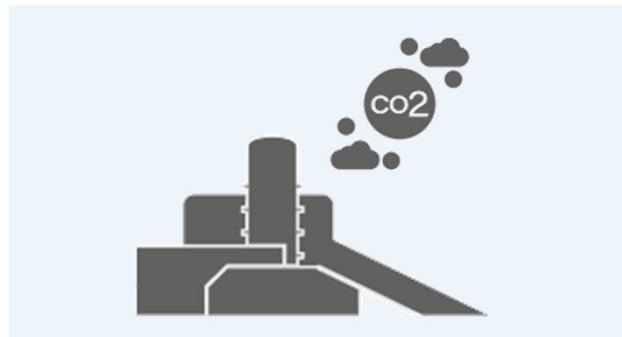
In 2050

## CCU/S: GREEN ENERGY COOPERATION WITH TES&OGE IN DEUNA

DEUNA CEMENT PLANT (GERMANY) WILL PARTIALLY CAPTURE ITS CO<sub>2</sub> AND PARTICIPATE AT A CO<sub>2</sub> CIRCULAR ECONOMY INITIATIVE. CAPEX: 35-50 €M

### CARBON CAPTURE AT CEMENT PLANT IN DEUNA (THURINGIA)

CO<sub>2</sub> emissions will be captured and transferred into liquid CO<sub>2</sub> at Deuna cement plant. Initial start in 2027, scaled up for approx. 280,000 tons CO<sub>2</sub> capture by 2030.



### 1,000 KM CO<sub>2</sub> TRANSPORT NETWORK

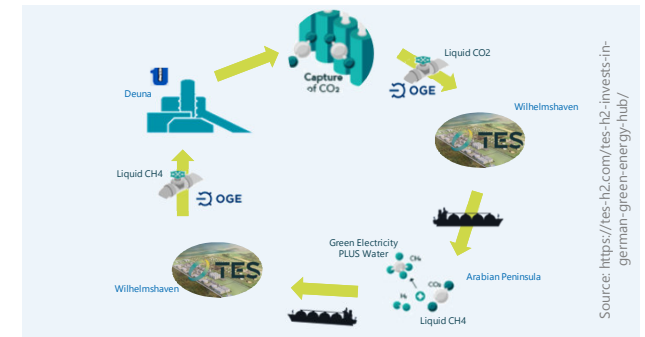
The CO<sub>2</sub> will be transported\* to Wilhelmshaven. From there it will be exported by TES for a circular closed looped system or sequestration.



Source: OGE, Stefan Dinse via Shutterstock

### GREEN ENERGY HUB WILHELMSHAVEN

TES will import green methane which can be used in turn in industrial processes.



Source: <https://tes-h2.com/tes-h2-invests-in-german-green-energy-hub/>

\* either by train through a JV of Rhenus & TES or by pipeline through a JV of OGE & TES.

## CCU/S: CATCH FOR CLIMATE

CI4C – CEMENT INNOVATION FOR CLIMATE WAS FOUNDEND BY BUZZI UNICEM/DYCKERHOFF, HEIDELBERGCEMENT, SCHWENK ZEMENT AND VICAT.

### DEMONSTRATION PLANT ON INDUSTRIAL SCALE IN MERGELSTETTEN

CI4C will build and operate a demonstration plant, where the oxyfuel (from oxygen and fuel) process will be applied. EPC contract with tkIS signed.



### CAPTURE OF CO<sub>2</sub> BY OXYFUEL PROCESS

Pure oxygen is introduced into the cement kiln instead of air: No other components gets into the burning process. Highly concentrated CO<sub>2</sub> is created. ~100% of CO<sub>2</sub> can be captured.



### REFUELS

The captured CO<sub>2</sub> is used to produce reFuels with the help of renewable electrical energy and turned into climate-neutral synthetic fuels such as kerosene for air traffic.



## CAPEX REQUIREMENTS BY 2030

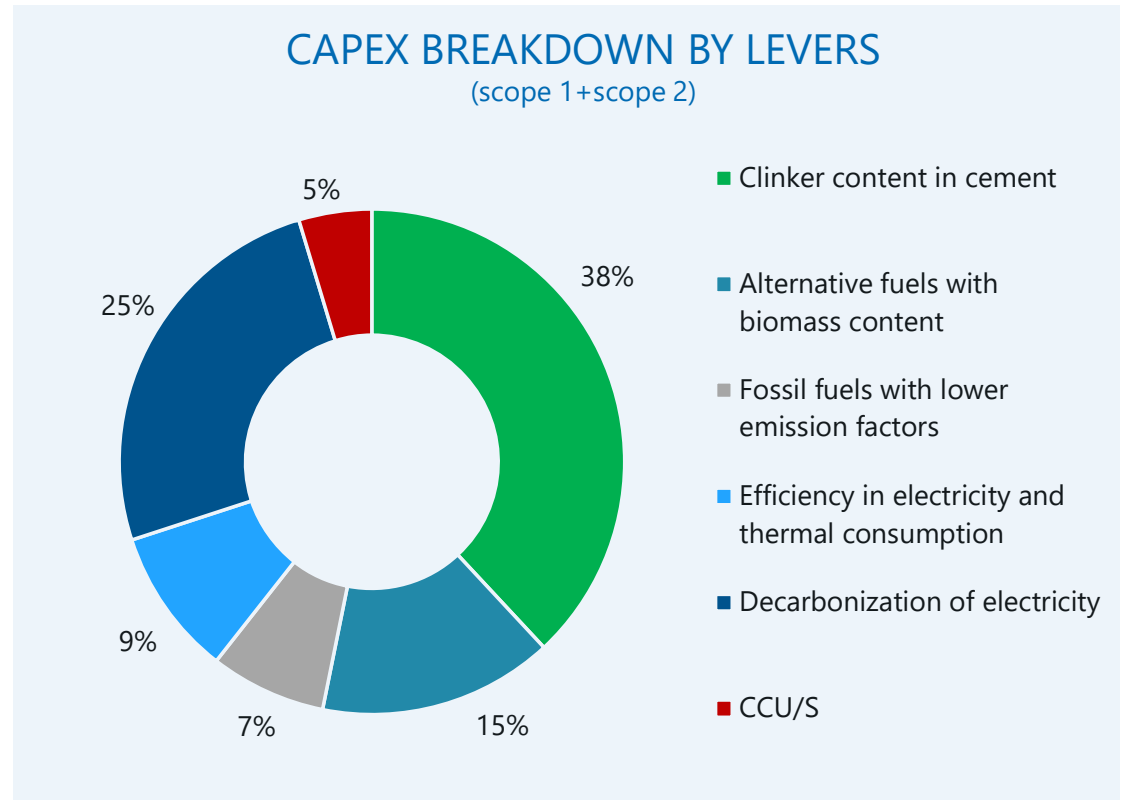
Expected capex requirements for 2030 target:

750 million euros

This plan leads to CO<sub>2</sub> specific capex per year equal to 20-30% of the annual avg capex spending

Maintaining ~8% of capex\* to net sales ratio over the period

*\*excluding financial investments*

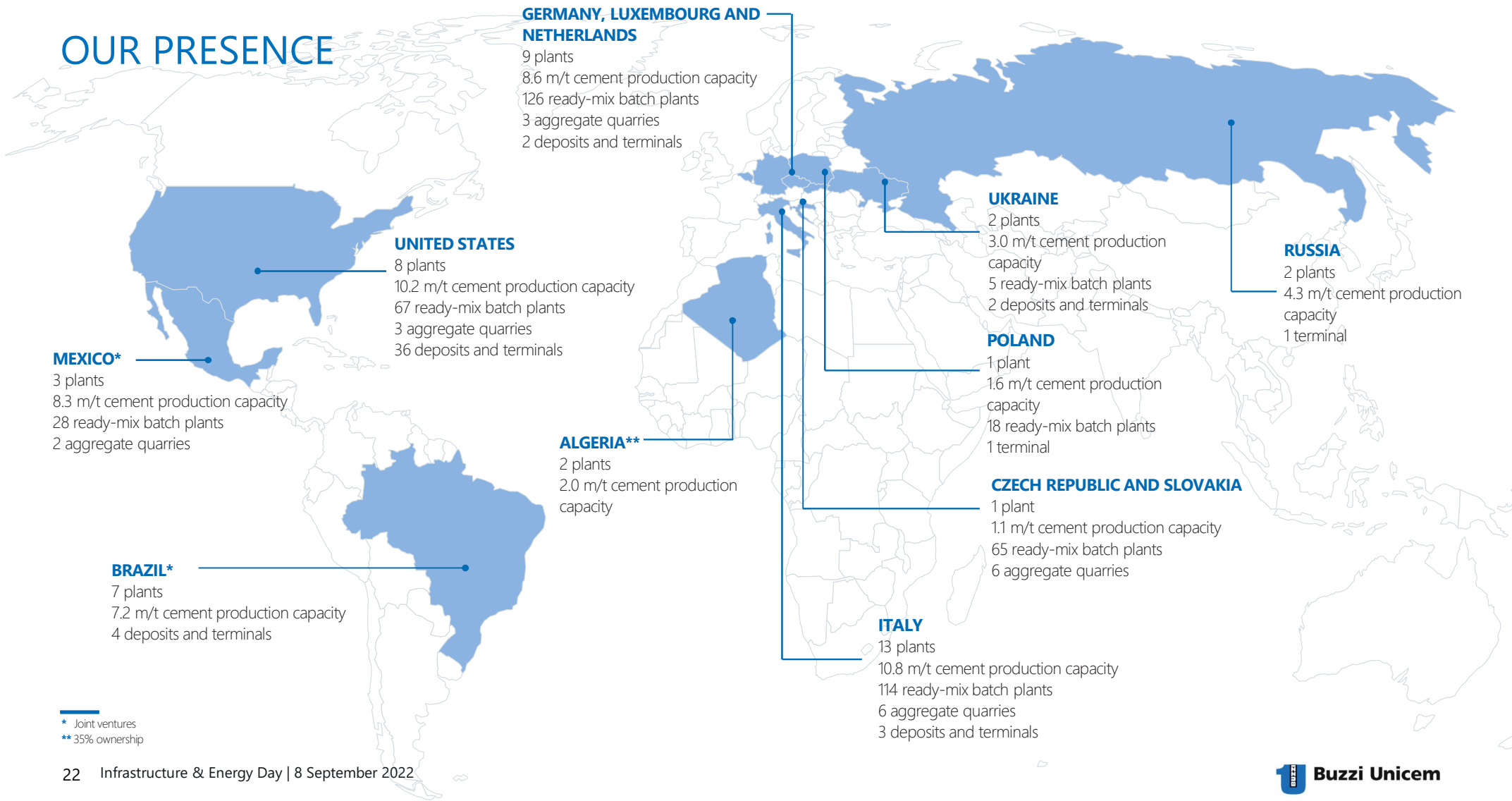


# APPENDIX

## BUZZI UNICEM AT A GLANCE: WELL POSITIONED TO CATCH FUTURE OPPORTUNITIES

	<p>Well balanced portfolio with exposure to mature markets as well as emerging            Strong market position in USA and Eurozone, enabling us to capture the local opportunities            Relevant exposure to Mexico and Brazil, countries with attractive prospects in population growth and urbanization</p>
	<p>Above 40 mt of cement capacity available and 400 concrete plants (incl. JVs)</p>
	<p>Strategy focused on long term and sustainable growth</p>
	<p>Proven ability to deliver strong financial performance and free cash flows</p>
	<p>Clear commitment to sustainability and value creation for all stakeholders</p>

# OUR PRESENCE



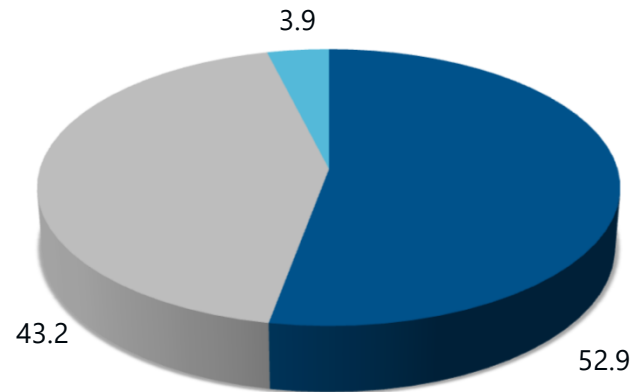
\* Joint ventures  
\*\* 35% ownership

# SHARES & SHAREHOLDERS | SHAREHOLDERS RETURN

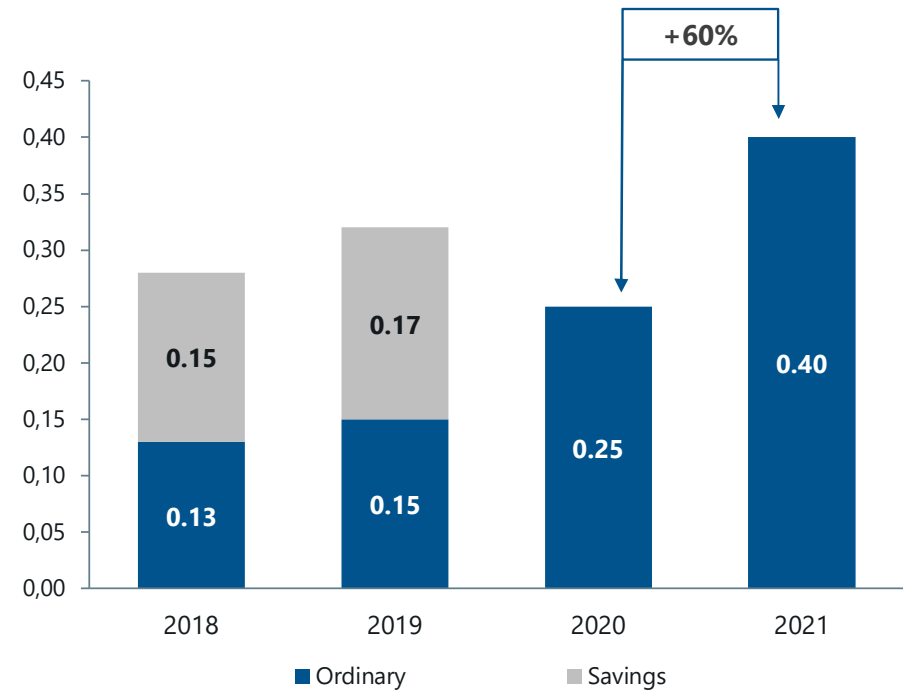
## Share Capital

Number of shares 192,626,154

- Buzzi Family
- Free Float
- Treasury shares



## DPS (EUR)

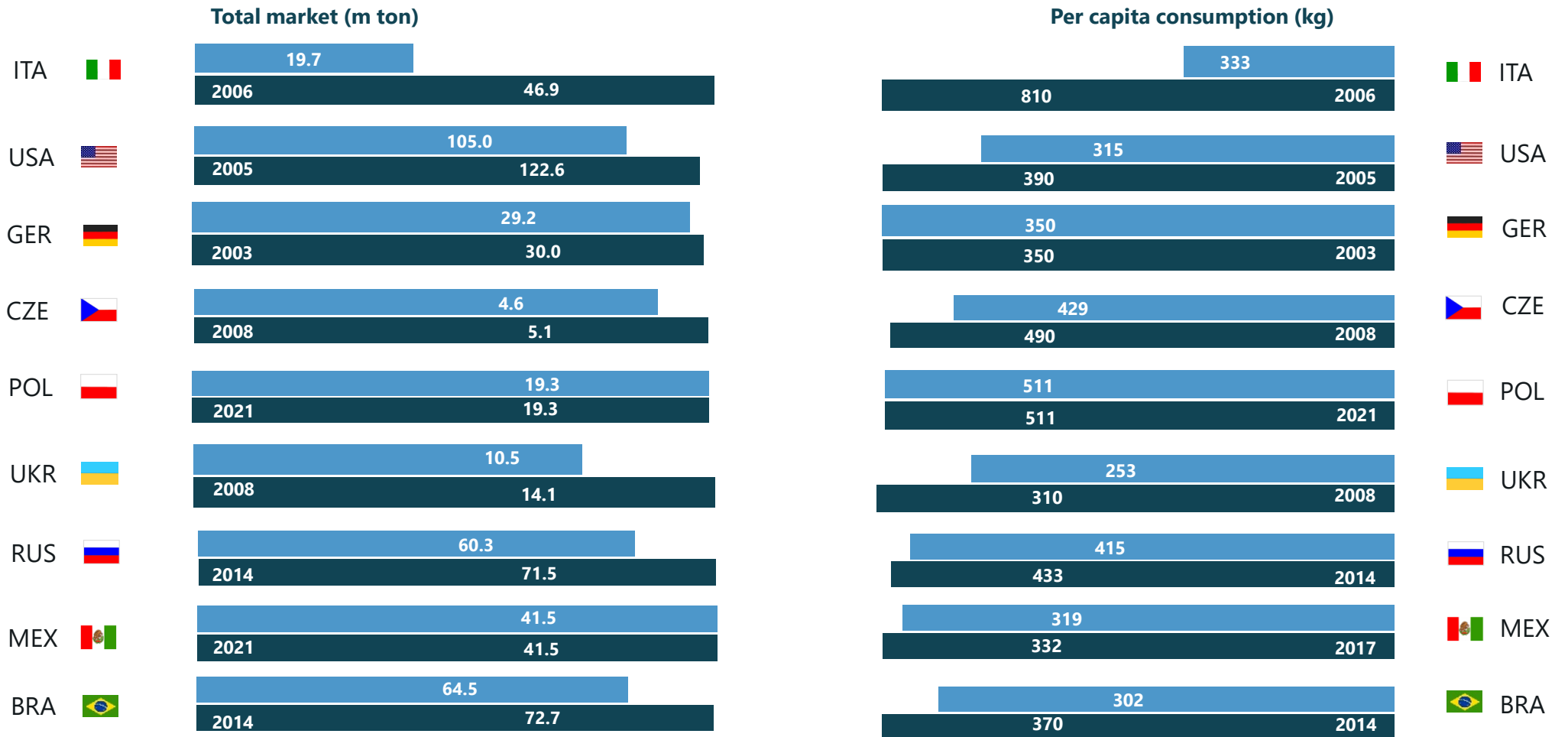




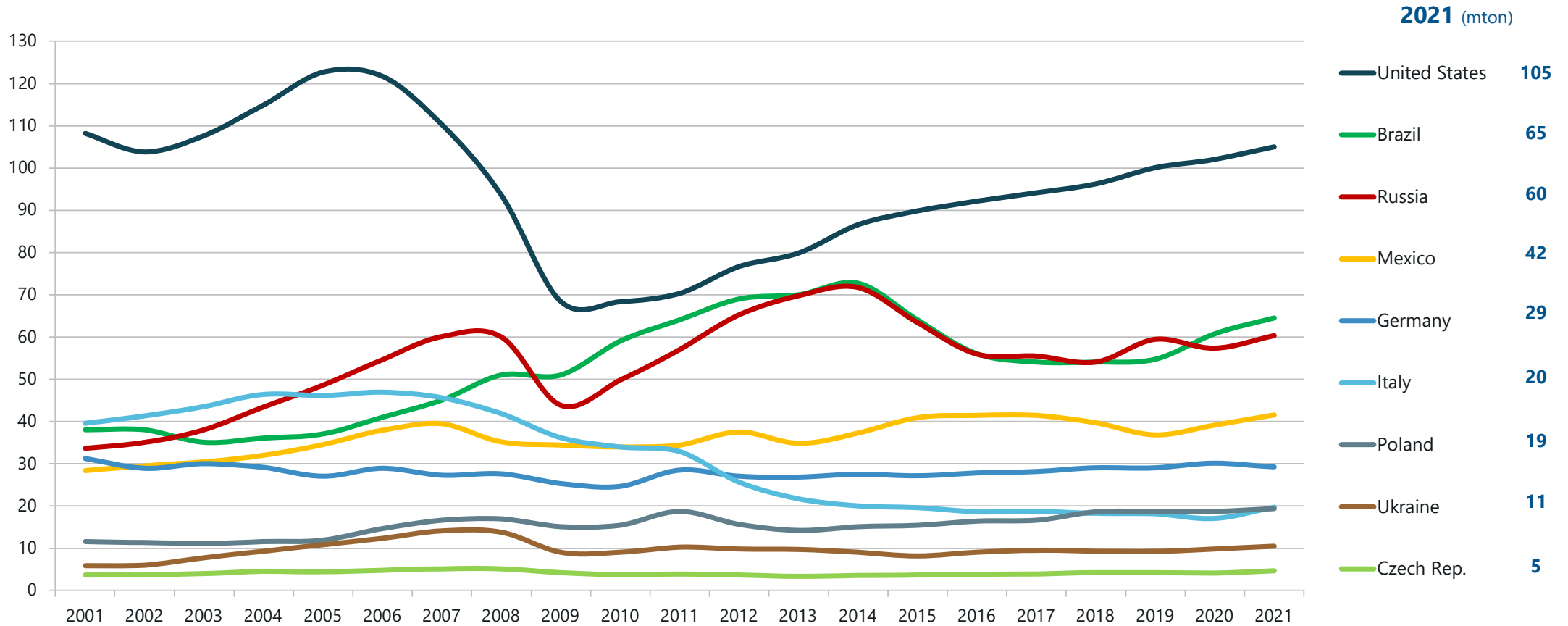
## HISTORICAL EBITDA DEVELOPMENT BY COUNTRY

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Italy	EBITDA	10.3	-5.9	-18.1	-18.7	-37.2	-22.2	-79.7	-1.7	43.4	33.8	40.8
	margin	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%	-18.6%	-0.4%	8.6%	6.8%	6.8%
Germany	EBITDA	90.3	72.2	108.1	88.6	72.1	76.8	78.1	82.5	102.3	123.8	127.5
	margin	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%	13.3%	13.0%	15.1%	17.3%	18.0%
Benelux	EBITDA	35.0	8.3	11.5	15.9	19.7	25.8	17.6	23.1	22.7	21.7	16.5
	margin	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%	9.4%	11.7%	11.8%	11.3%	8.2%
Czech Rep/ Slovakia	EBITDA	35.2	25.4	19.2	27.0	32.6	34.4	36.5	43.6	46.3	46.8	51.3
	margin	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%	24.7%	26.5%	27.5%	29.4%	28.9%
Poland	EBITDA	36.9	21.8	27.1	18.2	22.7	23.4	24.1	31.9	32.1	35.3	31.3
	margin	26.6%	20.0%	26.8%	20.4%	20.4%	24.6%	24.9%	28.6%	25.9%	29.9%	24.8%
Ukraine	EBITDA	6.9	15.8	12.3	11.0	4.0	12.8	16.0	7.0	21.0	21.9	13.3
	margin	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%	16.9%	8.0%	15.9%	18.9%	10.5%
Russia	EBITDA	65.7	96.1	92.6	73.4	48.4	43.2	46.0	50.1	57.7	52.9	58.6
	margin	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%	24.9%	27.0%	26.9%	28.3%	28.3%
USA	EBITDA	71.4	123.9	151.0	207.3	311.7	356.5	369.6	341.2	402.7	444.2	455.1
	margin	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%	33.0%	31.9%	32.4%	35.2%	34.2%
Group (IFRS application)	EBITDA	<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>794.6</b>
	margin	<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>23.1%</b>
Mexico (50%)	EBITDA	82.6	97.5	77.5	93.9	128.1	146.7	164.6	144.5	126.1	132.5	141.3
	margin	34.7%	36.2%	33.2%	36.0%	40.9%	48.2%	48.0%	46.3%	42.5%	46.2%	42.7%
Brazil (50%)	EBITDA								15.9	11.7	24.0	40.5
	margin								23.9%	17.4%	34.5%	31.9%
Group (proportional method)	EBITDA	<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>976.4</b>
	margin	<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>	<b>25.0%</b>

## 2021 CEMENT CONSUMPTION VS PEAK



# HISTORICAL SERIES CEMENT CONSUMPTION BY COUNTRY



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# Infrastructure & Energy Day - Borsa Italiana

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Milano, 8 September 2022

