

Bank of America – Materials and Infrastructure conference

30 November 2022



EXECUTIVE SUMMARY

BUZZI UNICEM AT A GLANCE

9M 2022 HIGHLIGHTS

TRADING BY GEOGRAPHIC AREAS

OUR JOURNEY TO NET ZERO

APPENDIX

BUZZI UNICEM AT A GLANCE:

WELL POSITIONED TO CATCH FUTURE OPPORTUNITIES



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



Above 40 mt of cement capacity available and 400 concrete plants (incl. JVs)



Strategy focused on long term and sustainable growth



Proven ability to deliver strong financial performance and free cash flows



Clear commitment to sustainability and value creation for all stakeholders

OUR PRESENCE

MEXICO*

3 plants
8.3 m/t cement production capacity
28 ready-mix batch plants
2 aggregate quarries

BRAZIL*

7 plants
7.2 m/t cement production capacity
4 deposits and terminals

UNITED STATES

8 plants
10.2 m/t cement production capacity
67 ready-mix batch plants
3 aggregate quarries
36 deposits and terminals

ALGERIA**

2 plants
2.0 m/t cement production capacity

GERMANY, LUXEMBOURG AND NETHERLANDS

9 plants
8.6 m/t cement production capacity
126 ready-mix batch plants
3 aggregate quarries
2 deposits and terminals

ITALY

13 plants
10.8 m/t cement production capacity
114 ready-mix batch plants
6 aggregate quarries
3 deposits and terminals

POLAND

1 plant
1.6 m/t cement production capacity
18 ready-mix batch plants
1 terminal

CZECH REPUBLIC AND SLOVAKIA

1 plant
1.1 m/t cement production capacity
65 ready-mix batch plants
6 aggregate quarries

RUSSIA

2 plants
4.3 m/t cement production capacity
1 terminal

UKRAINE

2 plants
3.0 m/t cement production capacity
5 ready-mix batch plants
2 deposits and terminals

* Joint ventures
** 35% ownership

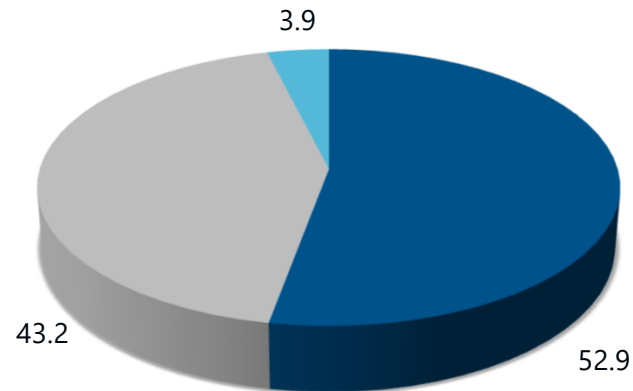
As at Dec 2021

SHAREHOLDERS AND RETURN

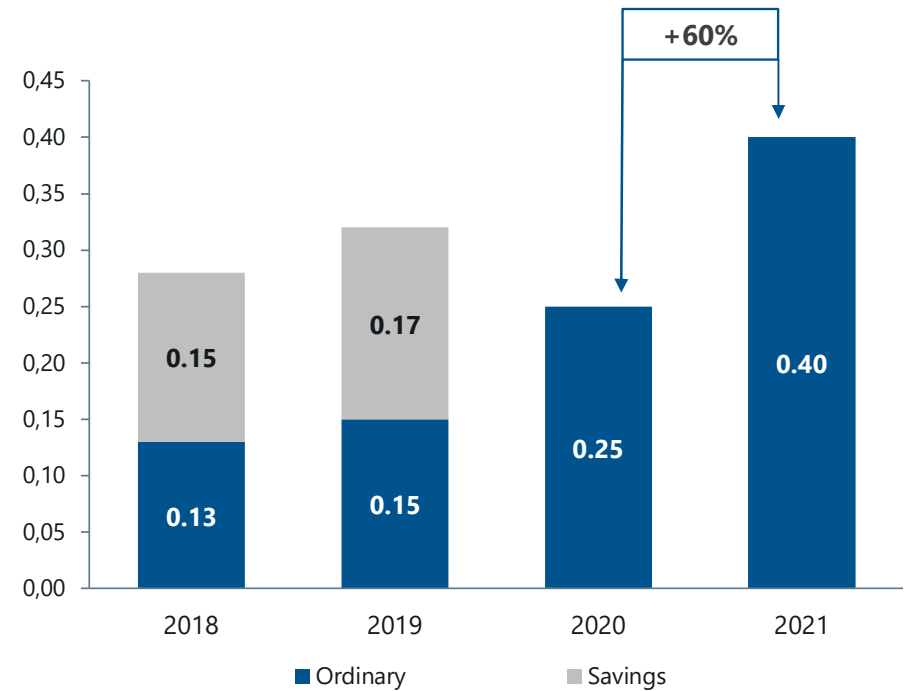
Share Capital

Number of shares 192,626,154

- Buzzi Family
- Free Float
- Treasury shares



DPS (EUR)



INDUSTRY LEADING PERFORMANCE THROUGH THE CYCLE (1)

Net Sales

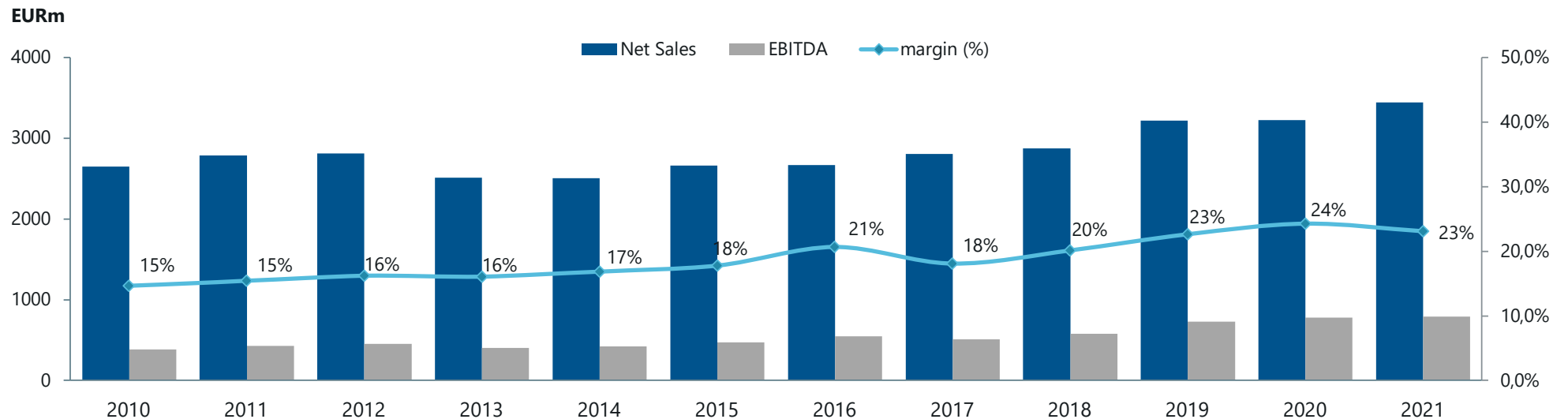
Solid growth fueled by sound demand, driven by residential, infrastructure needs and non-residential recovery.
CAGR (2010-2021): +2.2%

EBITDA

Over proportional growth to Net Sales, with EBITDA which has more than doubled compared to 2010
CAGR (2010-2021): +6.2%

EBITDA Margin %

Leading performance driven by cost efficiency and synergies
+800 bps vs 2010.



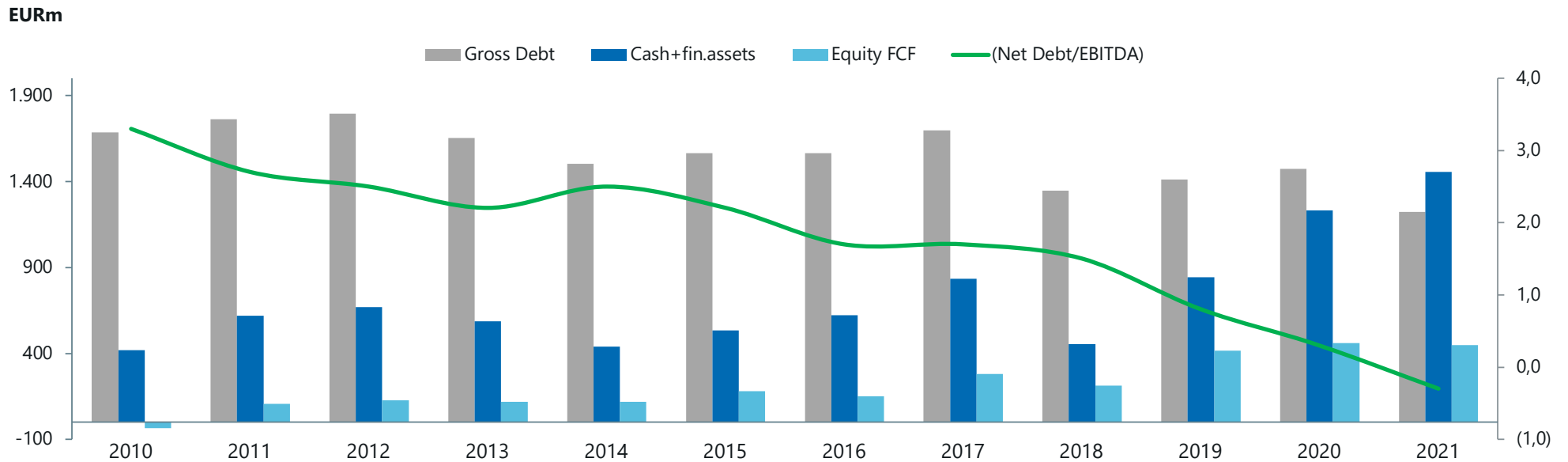
INDUSTRY LEADING PERFORMANCE THROUGH THE CYCLE (2)

We have a solid track record of consistent deleveraging over the last decade, while continuing to create value

Net cash position achieved at the end of 2021.

Strongest balance sheet in the industry

Committed to maintain Investment grade metrics, preserving our capacity to create value for the company and shareholders, while financing the Net Zero transition

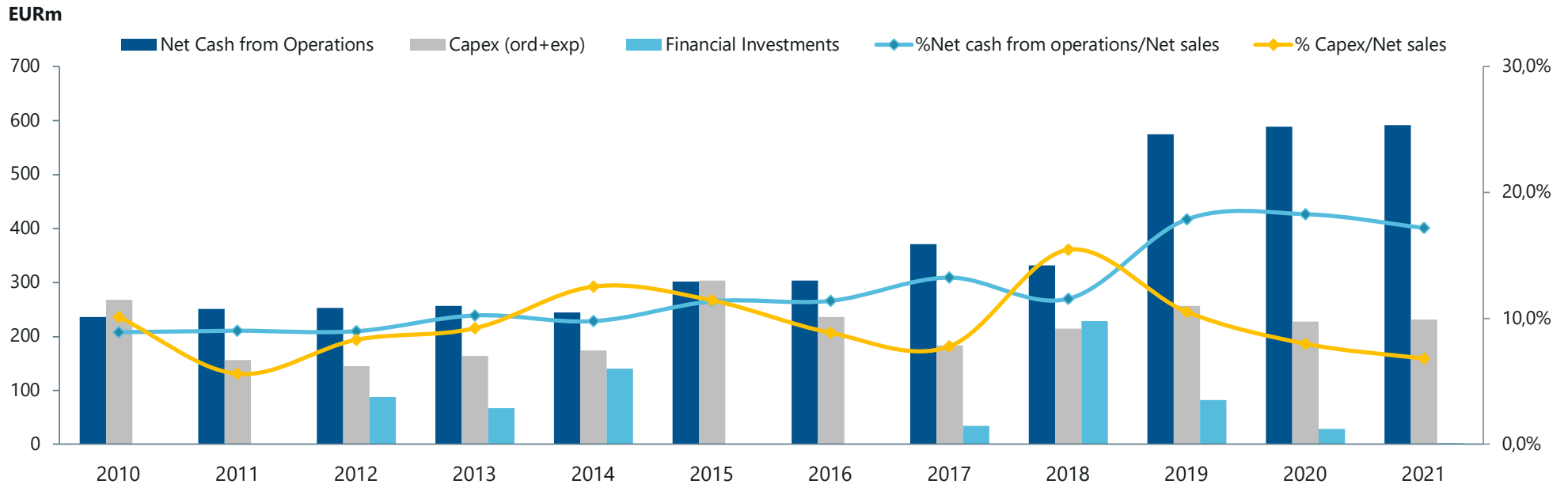


INDUSTRY LEADING PERFORMANCE THROUGH THE CYCLE (3)

Over the last 10 years, we have invested 3.2 billion euros in our industrial assets, thereof ca. 700 million euros in special projects dedicated to installed capacity expansion

In the same period, we have invested ca. 700 million euros in equity investments, in order to enter in new countries (Brazil, 2018) and to strengthen our position in existing markets (Germany and Italy)

From 2010, we have generated strong cash flows from operations (ca. 4.3 billion euros) with a CAGR equal to +8%



INDUSTRY LEADING PERFORMANCE THROUGH THE CYCLE (4)

Strengthened Equity FCF, selective CAPEX, reducing interests through deleveraging

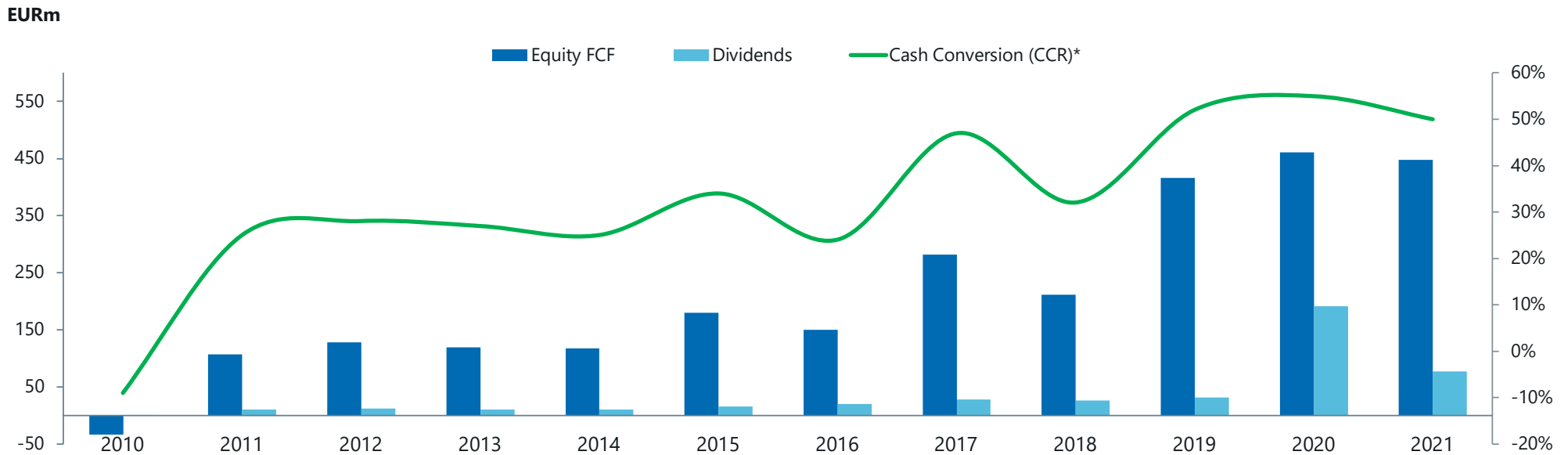
CAGR >12%

Over the last decade, we have returned to shareholders >650 million euros through dividends and buybacks**

~ 30% cash return to shareholders

Leading Cash Conversion in the sector (avg ~50%) over the period

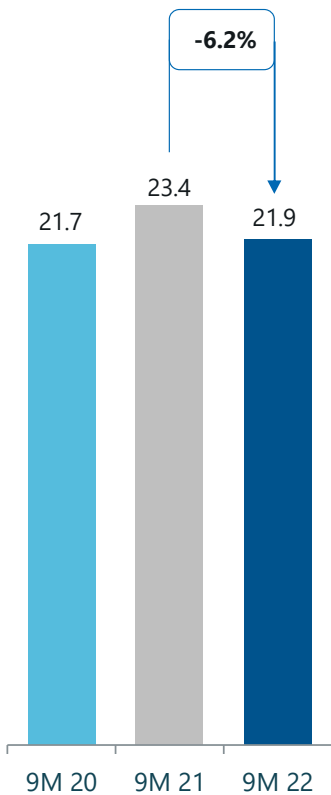
*CCR: $\text{Equity FCF} / (\text{EBITDA} + \text{Income from associates})$
** including 2022 Buyback



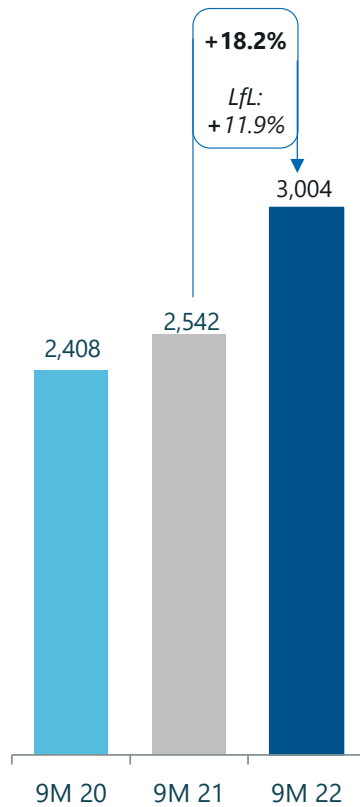
9M 2022 HIGHLIGHTS

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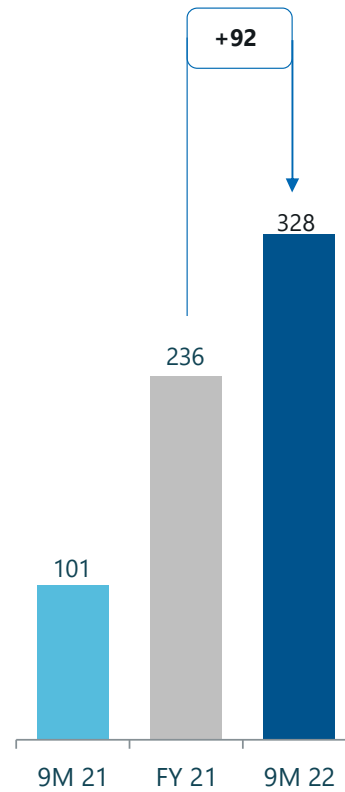
Cement Volumes
(mton)



Net Sales
(€m)



NFP
(€m)



9M 2022 IN BRIEF



Negative development of cement volumes in Q3, in line with the general slowdown in demand in our key regions.



In all regions, selling prices have definitely strengthened in Q3 too



Strong net sales growth (+11.9% lfl) in all regions. Solid pricing has overcome the negative volumes effect

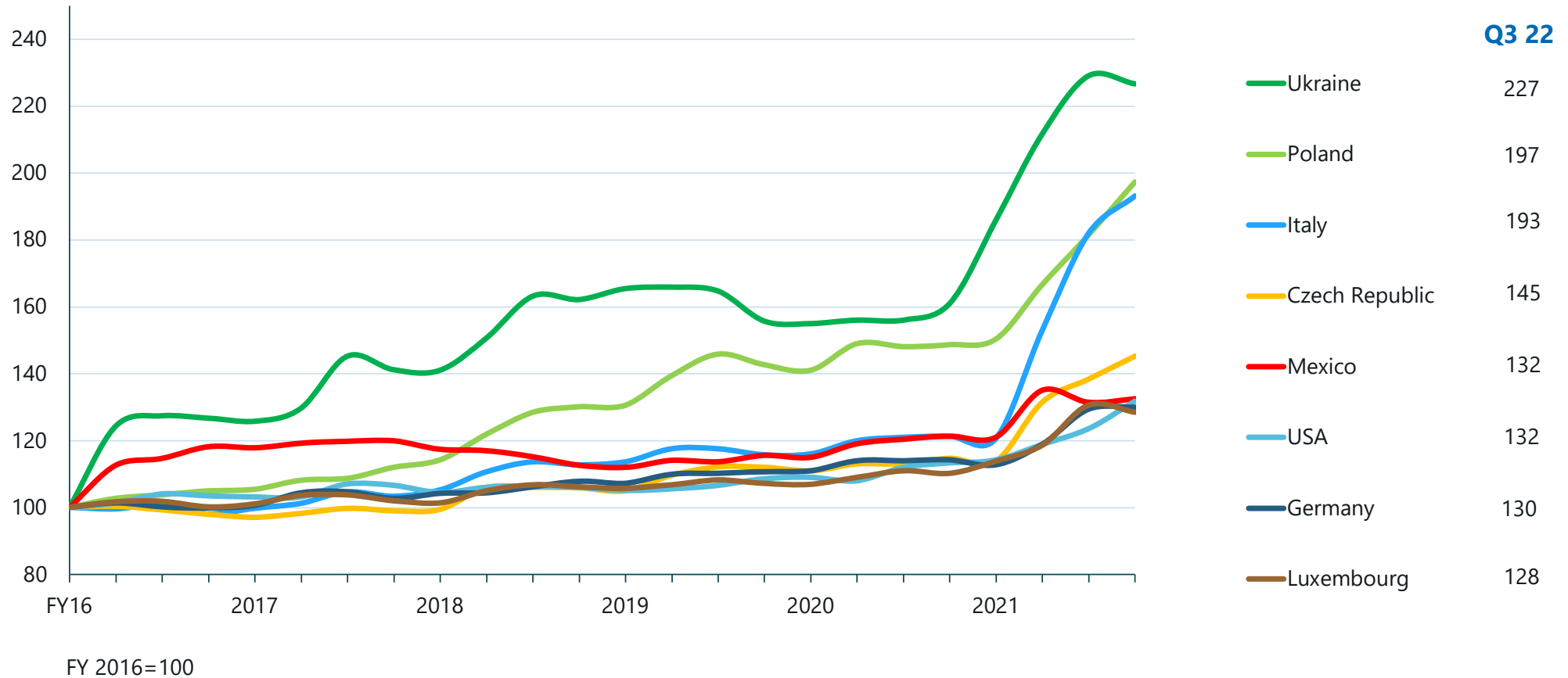


Net cash position at 328 €m, improved vs FY and H1, thanks to solid cash generation



Guidance for 2022 confirmed: Recurring EBITDA to possibly reach a level similar to 2021

PRICE INDEX BY COUNTRY



FX CHANGES

	9M 22	9M 21	Δ	2021	Current
EUR 1 =	avg	avg	%	avg	
USD	1.06	1.20	11.1	1.18	1.04
RUB	76.93	88.53	13.1	87.15	62.93
UAH	32.93	32.86	-0.2	32.26	37.96
CZK	24.62	25.73	4.3	25.64	24.37
PLN	4.67	4.47	-4.5	4.57	4.69
MXN	21.55	24.08	10.5	23.99	20.11
BRL	5.46	6.38	14.3	6.38	5.55

NET SALES BY COUNTRY

EURm	9M 22	9M 21	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	541.5	453.1	88.4	+19.5	-	-	+19.5
United States	1,191.0	961.5	229.5	+23.9	131.8	-	+10.2
Germany	607.7	529.5	78.2	+14.8	-	-	+14.8
Lux / Netherlands	169.4	147.5	21.9	+14.9	-	(0.6)	+15.3
Czech Rep / Slovakia	152.0	132.2	19.8	+14.9	5.9	-	+10.5
Poland	110.5	93.2	17.3	+18.5	(4.9)	-	+23.8
Ukraine	47.5	92.3	(44.8)	-48.5	(0.1)	-	-48.4
Russia	215.5	158.1	57.4	+36.3	28.2	-	+18.4
<i>Eliminations</i>	<i>(31.2)</i>	<i>(25.8)</i>	<i>(5.4)</i>				
Total	3,004.0	2,541.7	462.2	+18.2	160.9	(0.6)	+11.9
Mexico (100%)	552.7	500.6	52.2	+10.4	57.9	-	-1.1
Brazil (100%)	298.0	186.7	111.3	+59.6	42.7	(33.6)	+18.7

TRADING BY GEOGRAPHIC AREA

UNITED STATES AND ITALY

United States

- Cement demand has remained robust despite the weakened activity in the residential sector. Marginal slowdown of volumes during Q3 due to some production and logistical problems (low water level of Mississippi)
- Second round of price increase in Q3 drove up selling prices
- Enduring pressure on production costs, fixed costs (mainly maintenance) as well as variable costs (fuels)

EURm	9M 22	9M 21	Δ %	Δ% I-f-I
Net Sales	1,191.9	961.5	+23.9	+10.2

Italy

- Domestic demand was weaker, partly caused by uncertainties around private investments and construction activity, impacted by the enduring inflation on energy and non-energy items
- Power prices to the peak in Aug/Sept. Another round of price increase to compensate the soar of production costs

EURm	9M 22	9M 21	Δ %	Δ% I-f-I
Net Sales	541.5	453.1	+19.5	+19.5

CENTRAL AND EASTERN EUROPE

Central Europe

- Cement volumes in Germany have confirmed the positive trend thanks to favorable weather and stability in construction sector. Marginal slowdown in cement deliveries in Benelux in Q3.
- Selling prices have strengthened too.
- Energy costs inflation under control in Germany thanks to AFs and hedging. More challenging cost environment in Benelux

EURm	9M 22	9M 21	Δ %	Δ% -f-
Net Sales	752.5	656.9	+14.6	+14.6

Eastern Europe

- Cement volumes in Poland and Czech Rep. have turned negative in Q3 due to challenging comparison and weaker demand
- In Ukraine, cement volumes substantially halved with commercial and production activity only in Volyn (NW of the country).
- Selling prices moved up significantly

EURm	9M 22	9M 21	Δ %	Δ% -f-
Net Sales	524.8	474.9	+10.5	+4.3

MEXICO AND BRAZIL

Mexico

- Restrictive monetary policy and risk associated to the slowdown of US economy have weakened the investment activity
- Cement volumes have showed a partial recovery in Q3. Prices have gained traction again during the summer
- Enduring pressure on production costs mainly due to fuels

EURm	9M 22	9M 21	Δ %	Δ% l-f-l
Net Sales (100%)	552.7	500.6	+10.4	-1.1

Brazil

- Activity in the construction sector has been steady, albeit the uncertainties fueled by high inflation and restrictive monetary policy
- Cement volumes increased benefitting from additional contribution of the former CRH cement plants acquired in April 2021. Slight contraction of volumes on a lfl basis
- Markedly higher selling prices but costs environment remained tough

EURm	9M 22	9M 21	Δ %	Δ% l-f-l
Net Sales (100%)	298.0	186.7	+59.6	+18.7

2022 OUTLOOK

OUTLOOK 2022



In Q3 enduring inflation and higher financing and construction costs fueled the uncertainties related to the development of private investments with an already visible impact on the construction activity.

These dynamics might continue during Q4, mainly in markets more impacted by higher inflation and with a more visible slowdown in demand, such as Italy and Eastern Europe.

In US, higher interest rates will penalize the residential demand, without overturning our sales for the full year.



Selling prices should continue to fuel revenue growth also during the last quarter



Due to cost-push inflation, EBITDA margin will diminish despite the effectiveness of our efforts in improving prices



Guidance confirmed: 2022 recurring EBITDA expected to be in line with 2021



Capex: expected to be lower than budgeted due to some delays in supplies, but higher than 2021 and focused on the priorities identifies in the Roadmap

Our Journey to Net Zero

A REALISTIC PATH TO NET ZERO

HOW TO GET THERE

Proven track record in CO₂ emissions reduction.
Already reduced by ~20% CO₂ emissions in 2021 vs 1990.

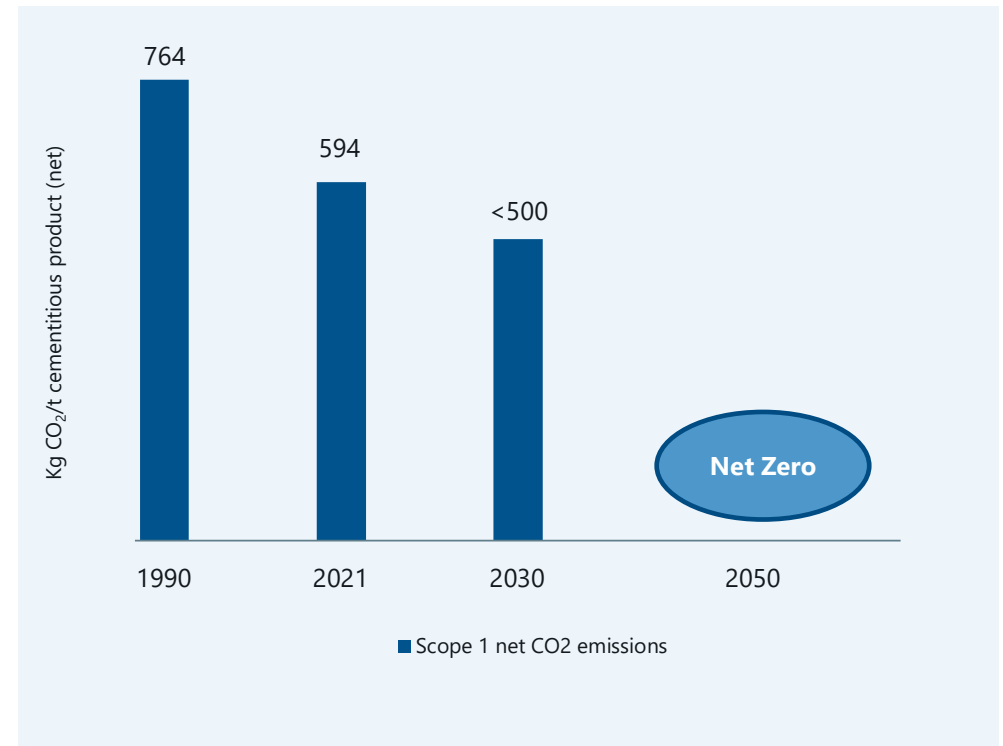
NEXT CHAPTER: NEW, SCIENCE BASED, REDUCTION TARGETS

Targeting to achieve CO₂ 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

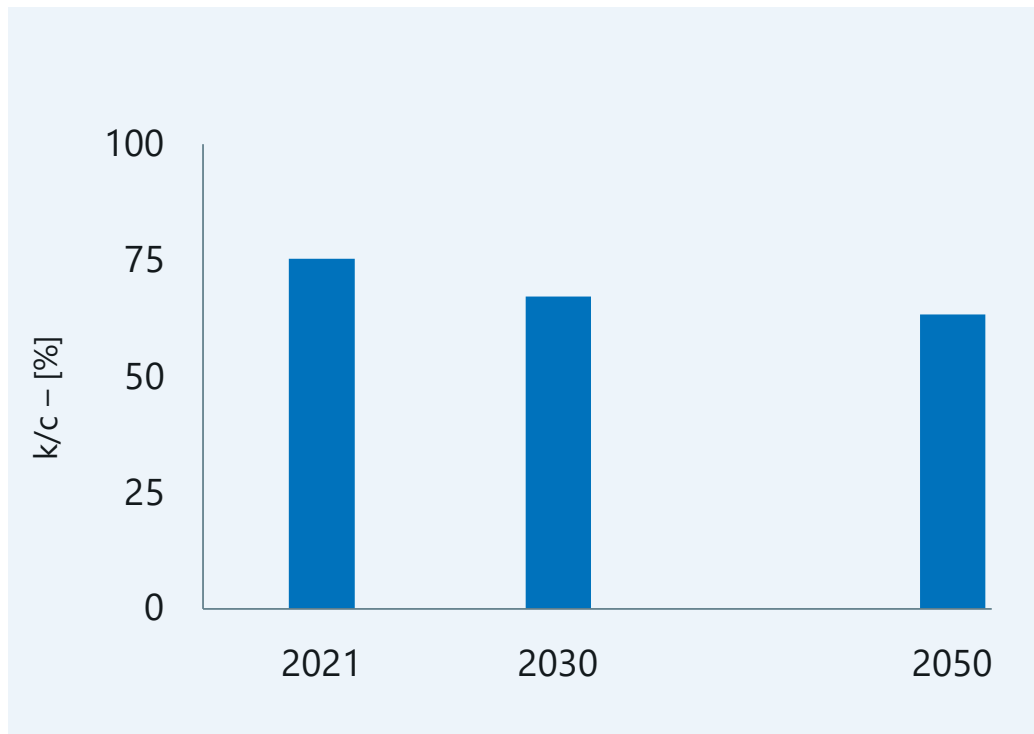
Realistic path to turn ambition into reality



*scope including Brazil, excluding Russia

CLINKER CONTENT IN CEMENTS

OUR TARGETS



75.4%

In 2021

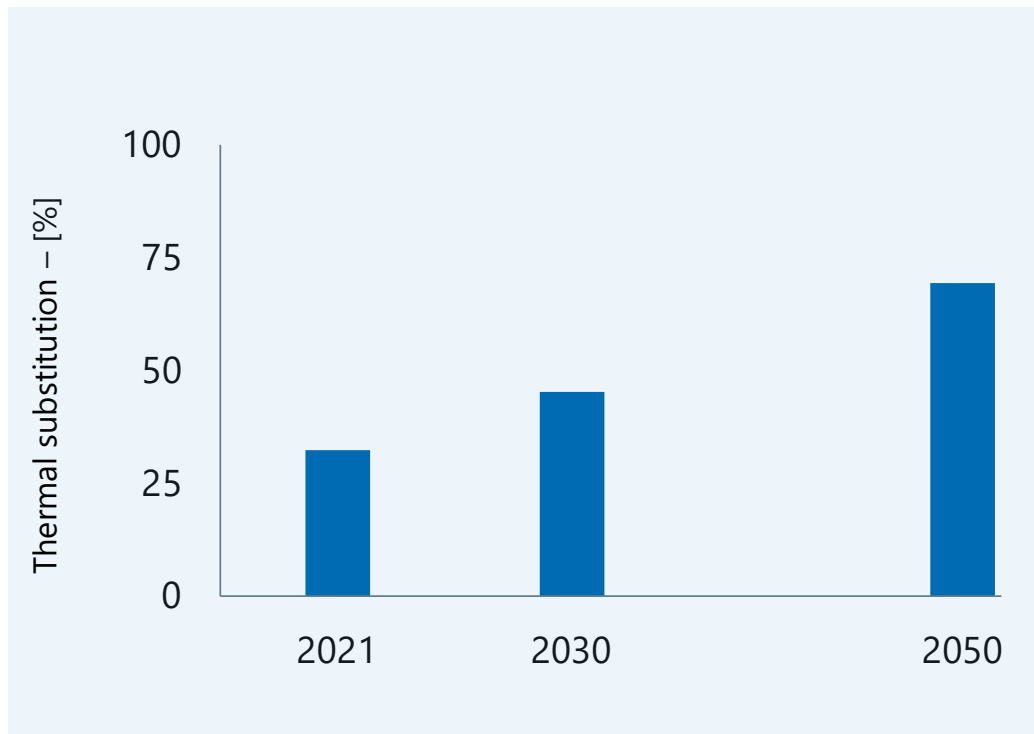
67.3%

In 2030

63.4%

In 2050

ALTERNATIVE FUELS WITH BIOMASS OUR TARGETS



32.4%

In 2021

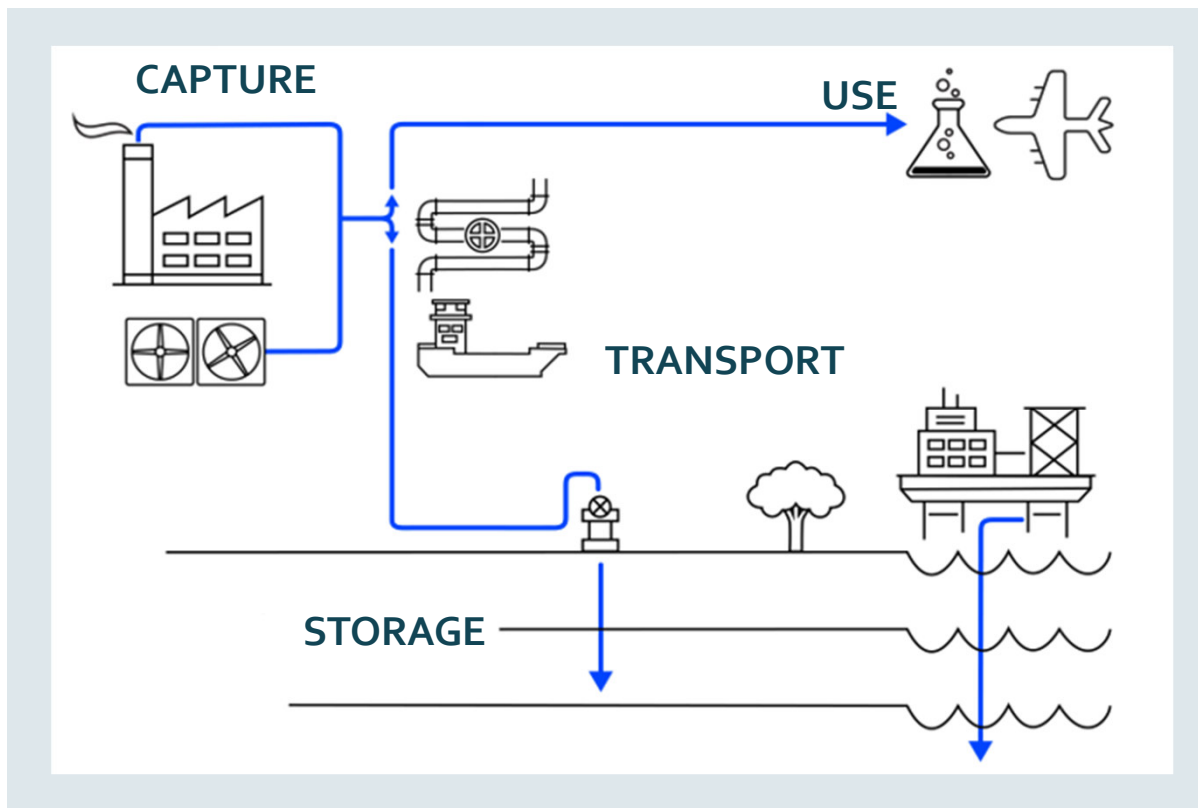
45.4%

In 2030

69.5%

In 2050

CARBON CAPTURE, (USAGE) AND STORAGE



1%

In 2030

48%

In 2050

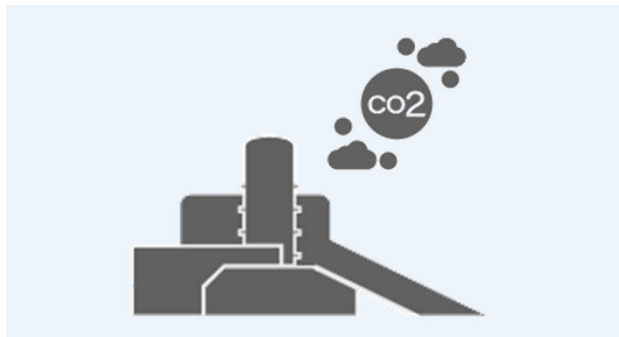
Additional CO₂ emissions due to the thermal energy requested by CCUS has not been taken into account

GREEN ENERGY COOPERATION WITH TES&OGE - GERMANY

DEUNA CEMENT PLANT (GERMANY) WILL PARTIALLY CAPTURE ITS CO₂ AND PARTICIPATE AT A CO₂ CIRCULAR ECONOMY INITIATIVE. CAPEX: 35-50 €M

CARBON CAPTURE AT CEMENT PLANT IN DEUNA (THURINGIA)

CO₂ emissions will be captured and transferred into liquid CO₂ at Deuna cement plant. Initial start in 2027, scaled up for approx. 280,000 tons CO₂ capture by 2030.



1,000 KM CO₂ TRANSPORT NETWORK

The CO₂ will be transported* to Wilhelmshaven. From there it will be exported by TES for a circular closed looped system or sequestration.

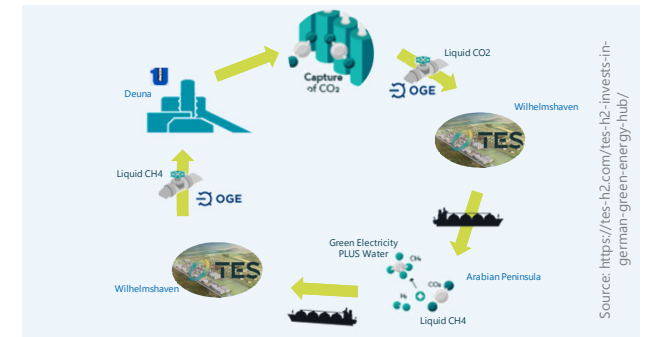


Source: OGE, Stefan Dinse via Shutterstock

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

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/>

CATCH FOR CLIMATE - GERMANY

CI4C – CEMENT INNOVATION FOR CLIMATE WAS FOUNDED 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 CO₂ BY OXYFUEL PROCESS

Pure oxygen is introduced into the cement kiln instead of air: No other components gets into the burning process. Highly concentrated CO₂ is created. ~100% of CO₂ can be captured.



REFUELS

The captured CO₂ 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.

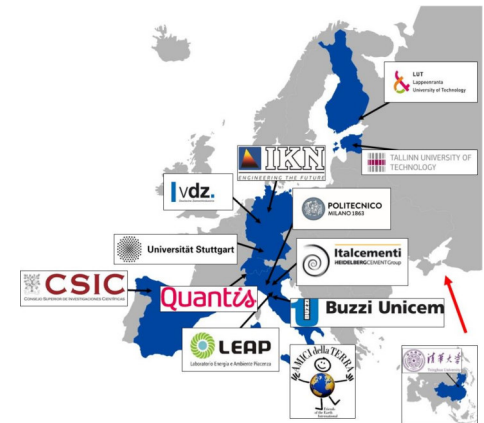


THE CLEANKER PROJECT - ITALY



- **Advancing the integrated Calcium-Looping (CaL) process for CO₂ capture in cement plants**
- Starting date: October 1st 2017
- Duration: 4 years + 1.5 years extension (Covid-related delays)
- End date: March 31st 2023
- Capex: EUR 9m, funded by Horizon 2020
- Outcome:
 - Proved that CO₂ capture takes place in the Calcium Looping systems
 - Oxyfuel calcination tested and managed
- **Next Step: CO₂ Capture and Storage in Italy**

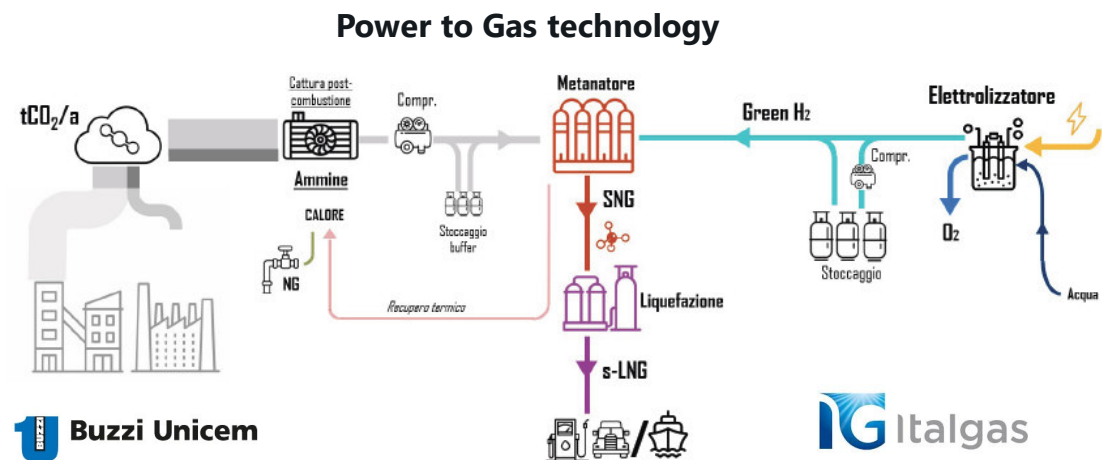
Partners



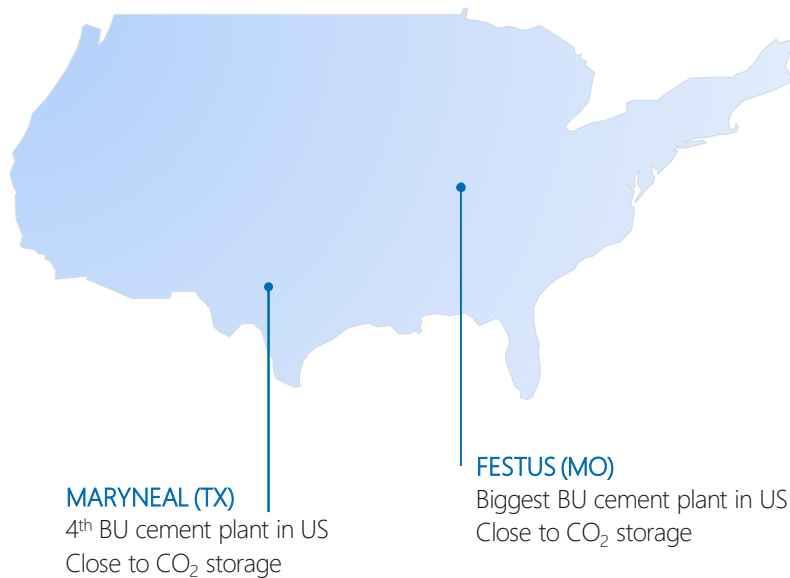
BUZZI UNICEM – ITALGAS FROM CARBON CAPTURE TO GAS

IG Italgas leader gas distributor, first in Italy and third in Europe

- **MoU** signed in December 2021
- **Scope of work:** Feasibility study on the implementation of Power to Gas plants in combination with Carbon Capture Systems
- **Scientific advisor:** Politecnico di Torino
- **Project timeline:** Dec. 2021 – June 2022
- Main project steps:
 1. Technology definition
 2. Market analysis
 3. Business model development



CARBON CAPTURE PILOT TEST PROJECTS IN USA



TECHNOLOGIES UNDER EVALUATION FOR PILOT TESTING

- Solvent scrubbing
- Membrane separation
- Solvent-Sorbent Hybrid scrubbing

ESTIMATED PROJECT DEVELOPMENT COSTS AND CAPTURE RATE

- Maryneal, TX: 10-15 USDm (capture rate: 15 t CO₂/day)
- Festus, MO: 15-30 USDm (capture rate: 42 t CO₂/day)

PARTIAL FUNDING FROM US DEPARTMENT OF ENERGY

Planning to apply for partial funding from the US Department of Energy Grant Program

R&D grant could cover up to 80% of the pilot project cost

CAPEX REQUIREMENTS BY 2030

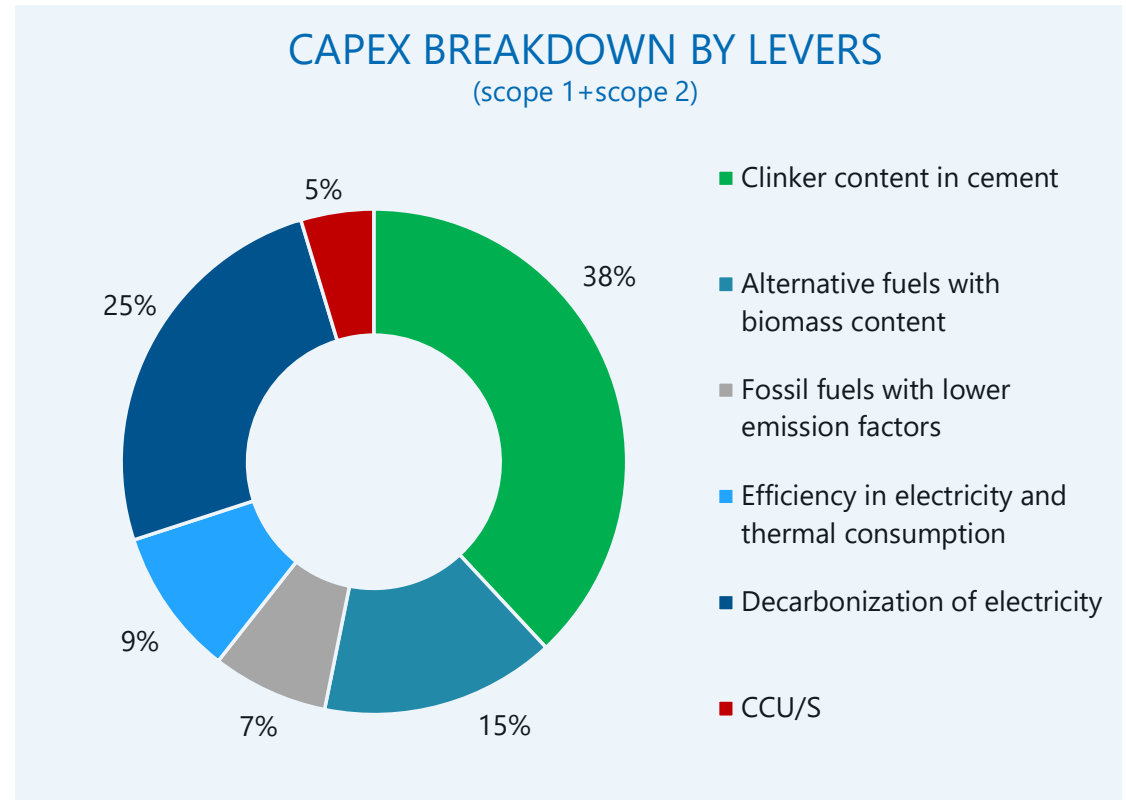
Expected capex requirements for 2030 target:

750 million euros

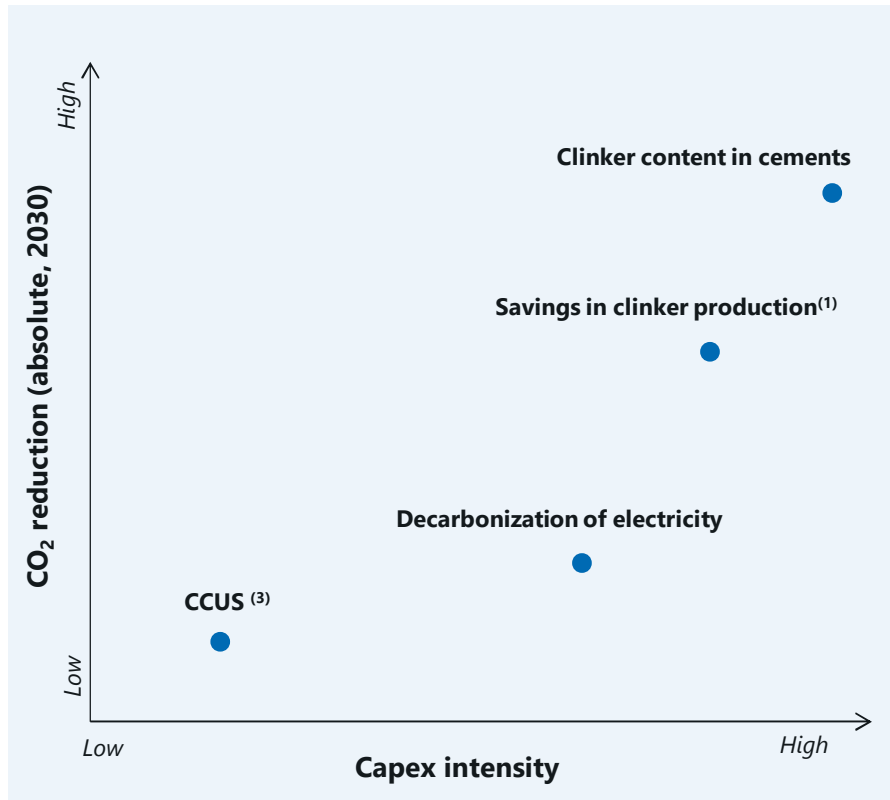
This plan leads to CO₂ specific capex per year equal to 20-30% of the annual avg capex spending

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

**excluding financial investments*



CAPEX AND CO₂ REDUCTION INTENSITY



	Payback Duration ⁽²⁾
Clinker content in cements	< 5 years
Alternative fuels with biomass content	< 5 years
Fossil fuels with lower emission factors	5-15 years
Efficiency in electric and thermal energy consumptions	5-15 years
Decarbonization of electricity	5-15 years
CCU/S ⁽³⁾	< 5 years

⁽¹⁾ Including: Alternative fuels with biomass content, fossil fuels with lower emission factors and efficiency in electric and thermal energy consumption

⁽²⁾ General assumption; not considering

⁽³⁾ Only referring to Deuna CCUS installation

DISCIPLINED AND BALANCED FINANCIAL APPROACH

WITHIN THE COMPANY....

- Margins protection, through organic growth, adequate pricing and efficient cost management
- Selective decisions on Capex (~8% to Net Sales)
- Maintaining positive avg ROIC vs WACC spread
- Maintaining investment grade metrics (Net debt/EBITDA ratio of 1.5 x – 2.0 x)
- Focus on cash generation and allocating exceeding cash to M&A and shareholders

...AND EXTERNAL FUNDING

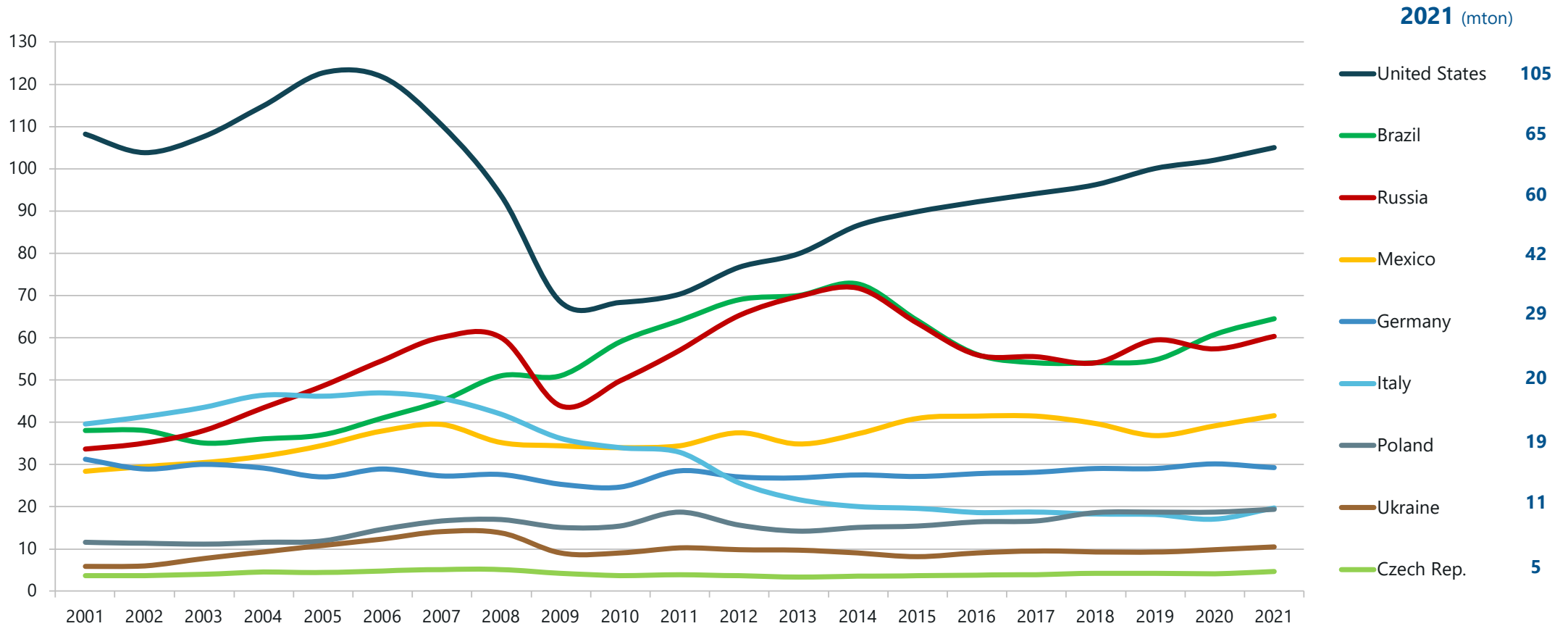
- Funding plan with access to fixed income markets and loan markets as well as private placements focusing on maturity profiles, flexibility and cost of funding.
- Proactively looking for public subsidies for developing new technologies
- ESG targets and metrics will be integrated in our financial documentations.

APPENDIX

2021 CEMENT CONSUMPTION VS PEAK



HISTORICAL SERIES CEMENT CONSUMPTION BY COUNTRY



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	351.7	357.6	403.7	422.7	473.2	550.6	508.2	577.2	728.1	780.8	794.6
	margin	13.8%	14.1%	16.0%	16.9%	17.8%	20.6%	18.1%	20.1%	22.6%	24.2%	23.1%
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	434.3	455.1	481.2	516.6	601.3	697.3	672.8	721.7	865.9	937.3	976.4
	margin	14.4%	14.8%	17.5%	18.7%	20.2%	23.5%	21.4%	22.7%	24.2%	26.2%	25.0%

DISCLAIMER

THIS REPORT CONTAINS COMMITMENTS AND FORWARD-LOOKING STATEMENTS BASED ON ASSUMPTIONS AND ESTIMATES. EVEN IF THE COMPANY BELIEVES THAT THEY ARE REALISTIC AND FORMULATED WITH PRUDENTIAL CRITERIA, FACTORS EXTERNAL TO ITS WILL COULD LIMIT THEIR CONSISTENCY (OR PRECISION, OR EXTENT), CAUSING EVEN SIGNIFICANT DEVIATIONS FROM EXPECTATIONS. THE COMPANY WILL UPDATE ITS COMMITMENTS AND FORWARD-LOOKING STATEMENTS ACCORDING TO THE ACTUAL PERFORMANCE AND WILL GIVE AN ACCOUNT OF THE REASONS FOR ANY DEVIATIONS.

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