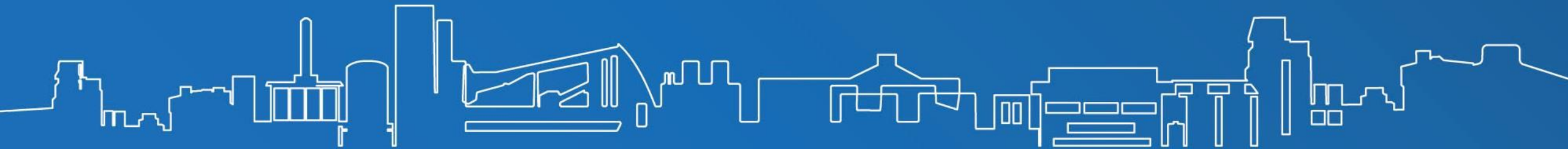


# E&C Conference

## Equita

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Milan, 10 April 2024



# EXECUTIVE SUMMARY

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**COMPANY OVERVIEW**

**INVESTMENT HIGHLIGHTS**

**FY 2023 OVERVIEW**

**OUTLOOK 2024**

**OUR JOURNEY TO NET ZERO**

# COMPANY OVERVIEW

# BUZZI AT A GLANCE:

## WELL POSITIONED TO CATCH FUTURE OPPORTUNITIES



Well balanced portfolio with exposure to mature as well as emerging markets  
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

# MORE THAN 110 YEARS OF HISTORY

**1907-1970**

**Foundation** by Pietro and Antonio Buzzi, with Trino cement plant

Expansion in Northern Italy

Start of the **ready-mix** concrete production

**1999**

Acquisition and incorporation of **Unicem**;

Listing on the Italian stock exchange with the name of Buzzi Unicem



Italy



United States

**2009-2011**

New lines in



Russia



United States

**2014**

Acquisition of

**Korkino**



Russia

**2018-2021**

50% acquisition of **Cimento Nacional** in 2018

Acquisition of CRH Brazilian assets



Brazil

**1979**

Acquisition of

**Alamo**

Cement



United States

**2001**

Acquisition of a minority stake in **Dyckerhoff**

(34%)

**1981**

Acquisition of a minority stake in

Corporacion **Moctezuma**



Mexico

**2004**

Controlling stake and full consolidation of **Dyckerhoff**



United States



Central and Eastern Europe

**2013**

Dyckerhoff minority squeeze out

**2017**

**Zillo**

acquisition



Italy

**2023**

Change of company name to **Buzzi Spa**

Agreement to sell assets in Ukraine and East Slovakia



New markets






Existing markets



# BUZZI TODAY

## OPERATIONAL SUMMARY AND KEY NUMBERS

### OWNERSHIP

	Buzzi family	52.9%
	Treasury shares	3.9%
	Market	43.2%



### NET SALES

**4.3** €b

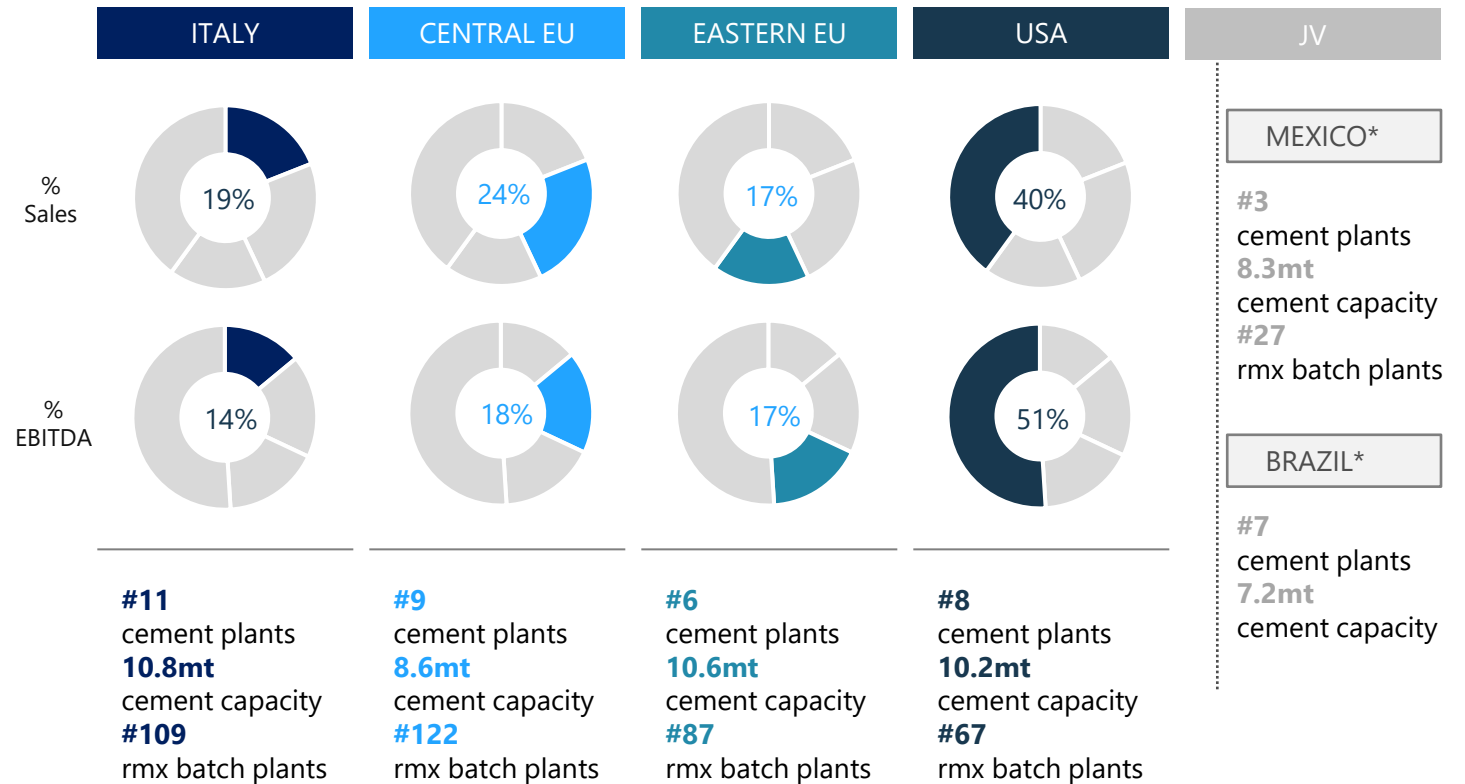
### EBITDA

**1.2** €b

### NET CASH

**0.8** €b

### GROUP STRUCTURE AND OPERATION



\*Figures at 100%  
\*\*@ 02/04/2024

# OUR PRESENCE

## MEXICO\*

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

## BRAZIL\*

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

## UNITED STATES

8 plants  
10.2 m/t cement production capacity  
67 ready-mix batch plants  
4 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  
122 ready-mix batch plants  
3 aggregate quarries  
2 deposits and terminals

## ITALY

11 plants  
10.8 m/t cement production capacity  
109 ready-mix batch plants  
7 aggregate quarries  
4 deposits and terminals

## SLOVENIA\*\*

1 plant  
1.3 m/t cement production capacity  
3 ready-mix batch plants  
3 aggregate quarries

## 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  
64 ready-mix batch plants  
6 aggregate quarries

## RUSSIA

2 plants  
4.9 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

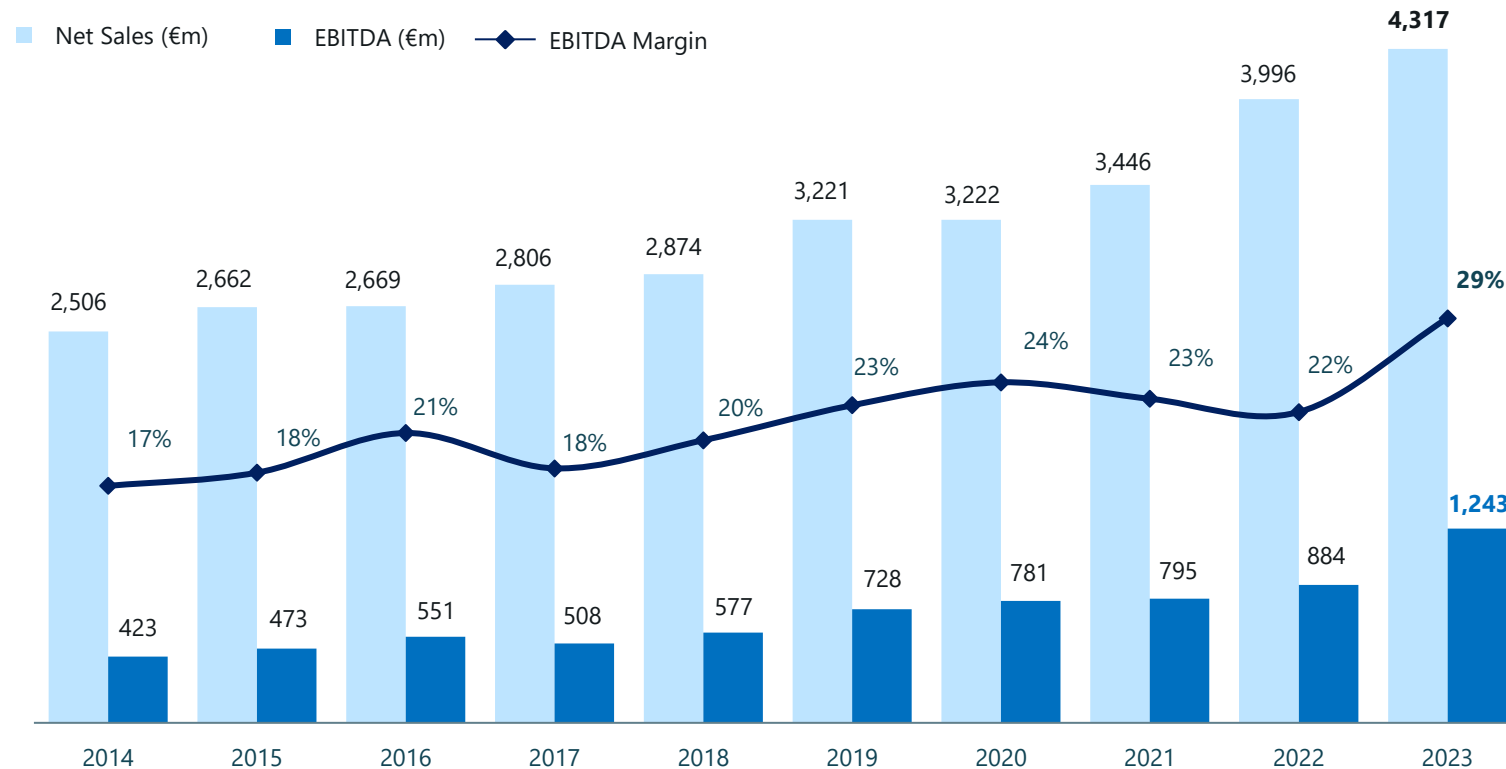
\* Joint ventures

\*\* 35% ownership

# INVESTMENTS HIGHLIGHTS



# INDUSTRY LEADING PERFORMANCE THROUGH THE CYCLE



## Net Sales

**CAGR (2014-2023): +6.2%**

Solid growth fuelled by sound demand and significant price re-rating in recent years

## EBITDA

**CAGR (2014-2023): +12.7%**

Over proportional growth to Net Sales, with EBITDA which has more than doubled

## EBITDA MARGIN

**+12 percentage points**

Leading performance, driven by cost efficiency and synergies

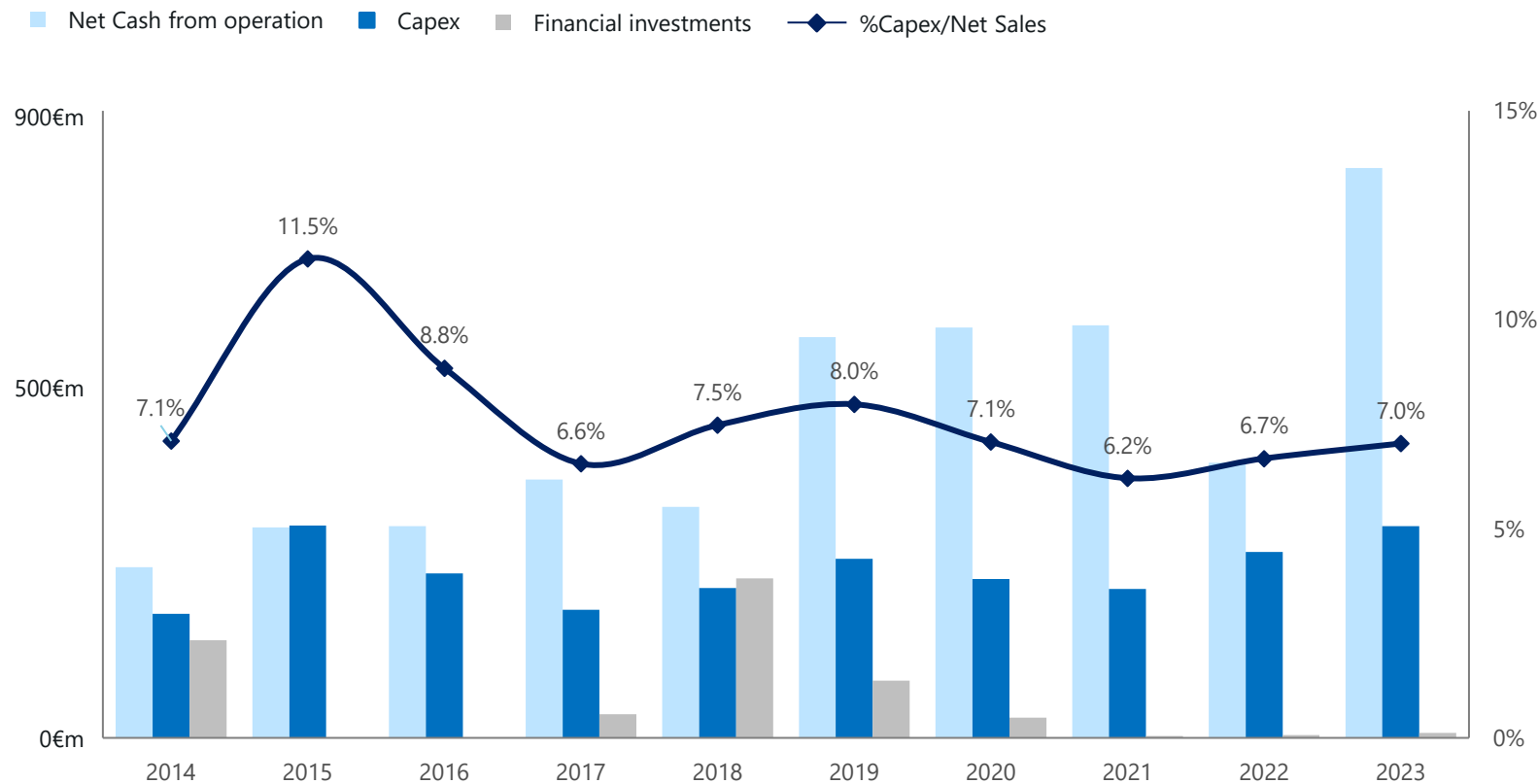
## Margin protection

Pass through of higher costs on selling prices

# HISTORICAL EBITDA BY COUNTRY

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Italy	EBITDA	(18.7)	(37.2)	(22.2)	(79.7)	(1.7)	43.4	33.8	40.8	82.0	175.2
	margin	-4.8%	-9.8%	-5.9%	-18.6%	-0.4%	8.6%	6.8%	6.8%	11.3%	21.4%
Germany	EBITDA	88.6	72.1	76.8	78.1	82.5	102.3	123.8	127.5	120.5	189.1
	margin	14.7%	12.6%	13.4%	13.3%	13.0%	15.1%	17.3%	18.0%	15.1%	21.7%
Benelux	EBITDA	15.9	19.7	25.8	17.6	23.1	22.7	21.7	16.5	7.0	28.1
	margin	9.7%	11.7%	14.7%	9.4%	11.7%	11.8%	11.3%	8.2%	3.1%	13.1%
Czech Rep/ Slovakia	EBITDA	27.0	32.6	34.4	36.5	43.6	46.3	46.8	51.3	56.8	72.0
	margin	20.2%	24.0%	25.2%	24.7%	26.5%	27.5%	29.4%	28.9%	28.2%	35.2%
Poland	EBITDA	18.2	22.7	23.4	24.1	31.9	32.1	35.3	31.3	27.2	38.2
	margin	20.4%	20.4%	24.6%	24.9%	28.6%	25.9%	29.9%	24.8%	19.2%	24.3%
Ukraine	EBITDA	11.0	4.0	12.8	16.0	7.0	21.0	21.9	13.3	(6.8)	5.6
	margin	12.5%	5.7%	16.1%	16.9%	8.0%	15.9%	18.9%	10.5%	-11.4%	6.5%
Russia	EBITDA	73.4	48.4	43.2	46.0	50.1	57.7	52.9	58.6	99.6	96.2
	margin	35.0%	29.0%	28.0%	24.9%	27.0%	26.9%	28.3%	28.3%	34.3%	33.8%
USA	EBITDA	207.3	311.7	356.5	369.6	341.2	402.7	444.2	455.1	497.5	639.2
	margin	24.2%	28.1%	31.9%	33.0%	31.9%	32.4%	35.2%	34.2%	31.3%	36.7%
Consolidated (IFRS application)	EBITDA	<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>	<b>883.7</b>	<b>1,243.2</b>
	margin	<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>	<b>22.1%</b>	<b>28.8%</b>
Mexico (50%)	EBITDA	93.9	128.1	146.7	164.6	144.5	126.1	132.5	141.3	152.9	232.8
	margin	36.0%	40.9%	48.2%	48.0%	46.3%	42.5%	46.2%	42.7%	39.8%	45.4%
Brazil (50%)	EBITDA					15.9	11.7	24.0	40.5	59.4	44.3
	margin					23.9%	17.4%	34.5%	31.9%	29.7%	22.5%
Consolidated (proportional method)	EBITDA	<b>516.6</b>	<b>601.3</b>	<b>697.3</b>	<b>672.8</b>	<b>737.6</b>	<b>865.9</b>	<b>937.3</b>	<b>976.4</b>	<b>1,096.0</b>	<b>1,520.3</b>
	margin	<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>	<b>23.3%</b>	<b>30.2%</b>

# SOUND CASH GENERATION AND VALUE CREATIVE CAPITAL ALLOCATION



**~4.5 €billion**

Cumulative Net Cash from Operation generated over 10 years

**~2.4 €billion**

Cumulative investments in industrial assets over the period

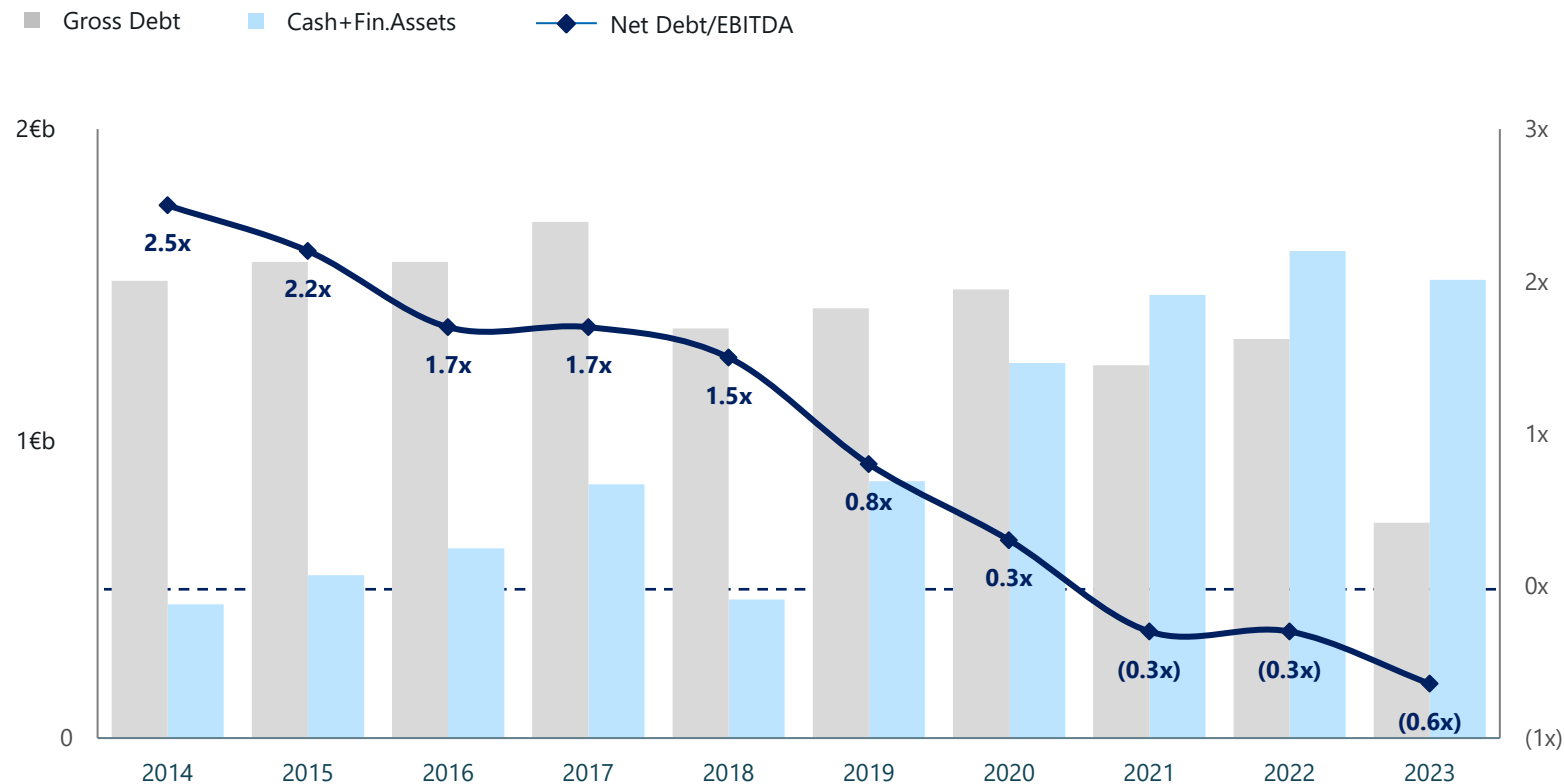
**~7.6%**

Average Capex/Sales ratio: track record of disciplined and selective investment decisions

**~0.5 €billion**

Cumulative financial investments to enter in new market (Brazil, 2018) or to strengthened our position in existing markets

# STRONG BALANCE SHEET, PRESERVING INVESTMENT CAPACITY FOR GROWTH



## Consistent deleveraging

Achieved in 10 years, while continuing to create value

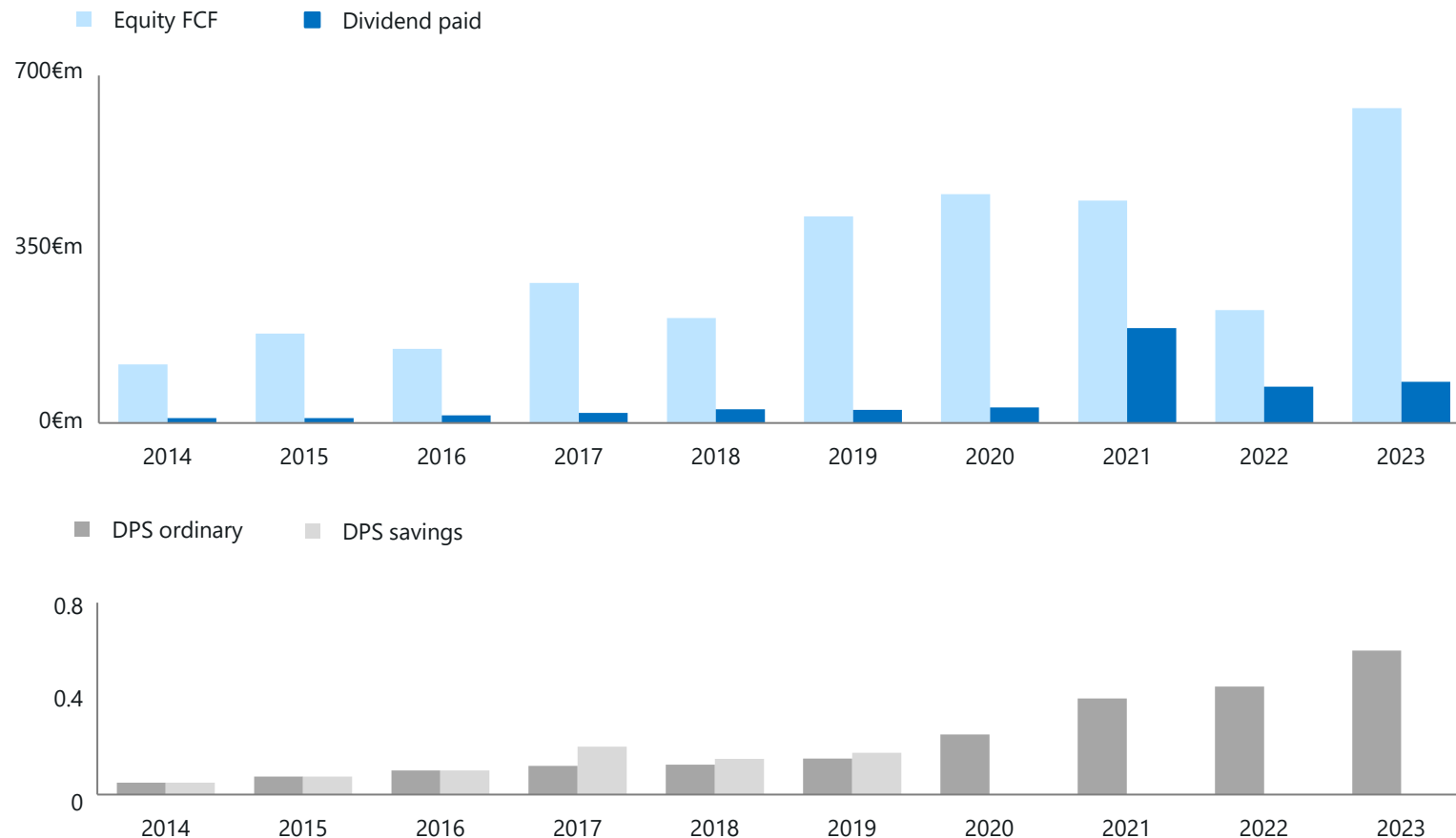
## Net Cash position

Since the end of 2021, further strengthened in 2023. Strongest balance sheet in the industry

## Investment grade metrics

Remain among our commitments, preserving the capacity to create value for the company and shareholders, while financing the Net Zero transition

# SUSTAINABLE GROWTH IN SHAREHOLDERS REMUNERATION



**+21%**

*Equity FCF CAGR*

Thanks to strengthened operating results, selective CAPEX and reduced interests through deleveraging

**~750 €million**

Returned to shareholders since 2014  
~500 € million as dividends  
~250 € million ad buybacks

**DPS growth**

Commitment to a sustainable growth in dividend policy

# 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.

# FY 2023 OVERVIEW

# 2023 IN BRIEF



Consolidated Net Sales reached 4,317 €m (+11.1% lfl), driven by solid price momentum in all Regions.

Recurring EBITDA at 1,237 €m (+43.7% lfl), the highest result ever in the group history; main additional contribution from Italy, Germany and USA.

Significant improvement in EBITDA margin at 28.7% (+640bps)



Sound cash generation, although negative impact from working capital and higher capex.

Positive development of ROCE over WACC spread, strengthened in 2023 despite higher cost of capital.



Dividend increased by 33% at 0.60 € ps. Share price +133% past two years.



2030 CO<sub>2</sub> reduction program on track and targets confirmed.

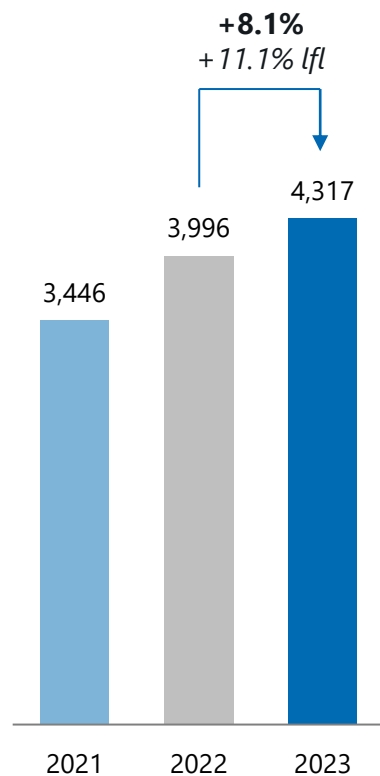


Commitment to the price over cost evolution in all Regions to protect margins  
2024 group recurring EBITDA expected to consolidate the 2023 level

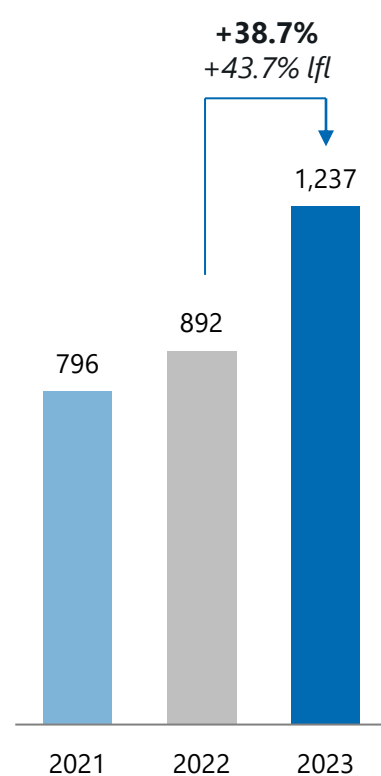


# 2023 KEY FIGURES

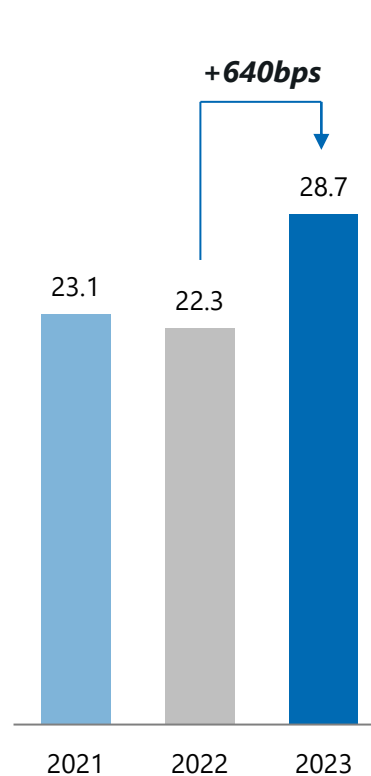
## Net Sales (€m)



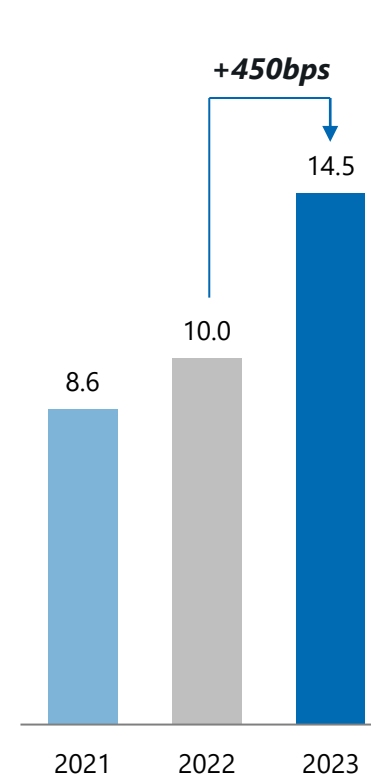
## EBITDA\* (€m)



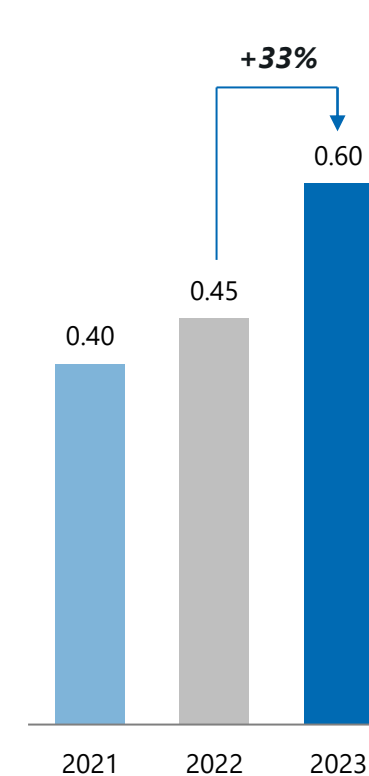
## EBITDA margin\* (%)



## ROCE\*\* (%)



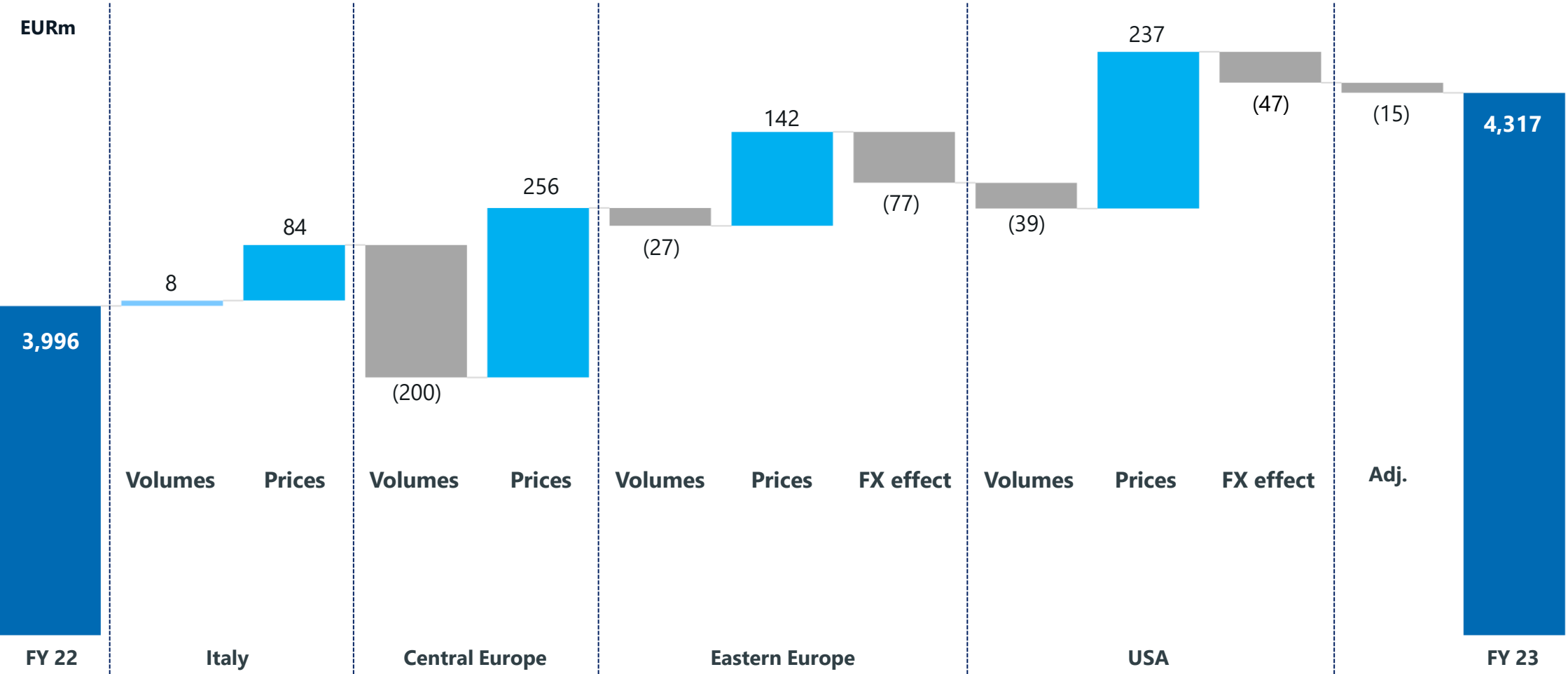
## DPS (€)



\*Recurring

\*\*Adj by non recurring items, incl. goodwill

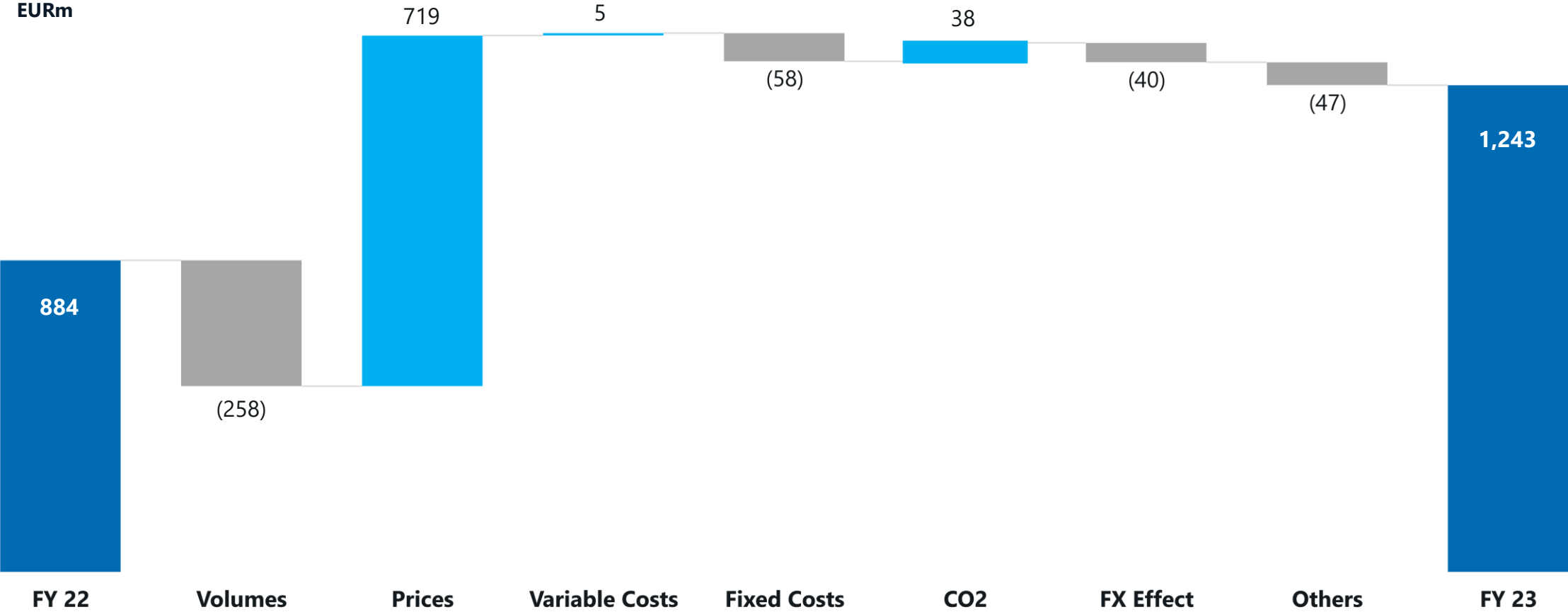
# NET SALES VARIANCE ANALYSIS





# EBITDA BRIDGE

EURm



# OUTLOOK 2024

# OUTLOOK 2024



Macroeconomic conditions are still going to weigh on construction investments in 2024, with subdued residential activity in all Regions; infrastructure projects are expected to support investments in Italy and USA



**USA:** cement demand bolstered by infrastructure spending and re-shoring activity

**Italy:** resilient demand driven by the implementation of PNRR

**Central Europe, Poland and Czech:** still subdued construction activity, due to persisting residential weakness

**Mexico:** construction investments expected to remain in good shape thanks to near-shoring and acceleration in infrastructure

**Brazil:** cement demand supported by public work, social housing and loosening of interest rates



Energy costs are expected to remain at high levels, despite some easiness in the fuel component



Full commitment to the price over cost evolution in all the markets



**Group recurring EBITDA expected to consolidate the 2023 level**

# OUR JOURNEY TO NET ZERO



# OUR JOURNEY TO NET ZERO

## TRACK RECORD IN CO2 EMISSIONS REDUCTION AND AMBITIOUS TARGETS

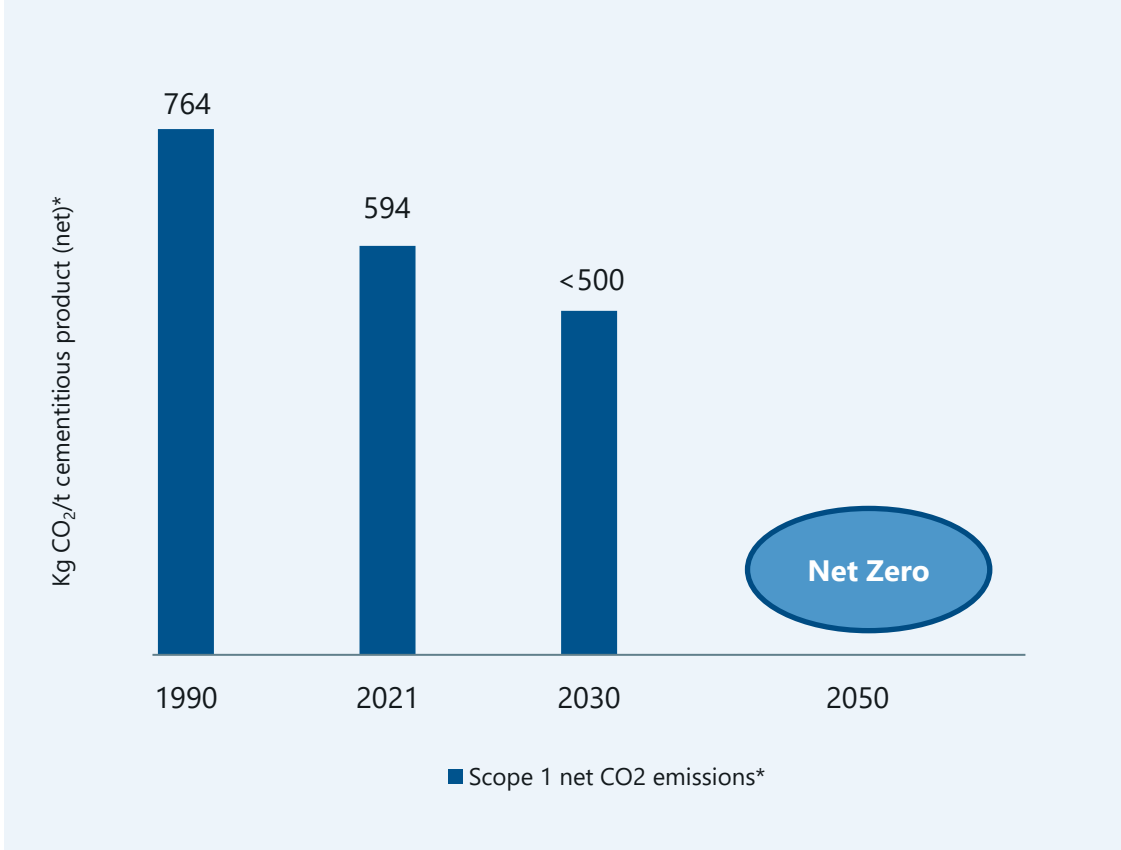
Proven track record in CO<sub>2</sub> emissions reduction.  
Already reduced by ~20% CO<sub>2</sub> emissions in 2021 vs 1990.

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

### ROADMAP 2030 – 2050

Realistic path to turn ambition into reality



\*Scope including Brazil, excluding Russia



# EXPECTED CAPEX BY 2030

**750 €m**

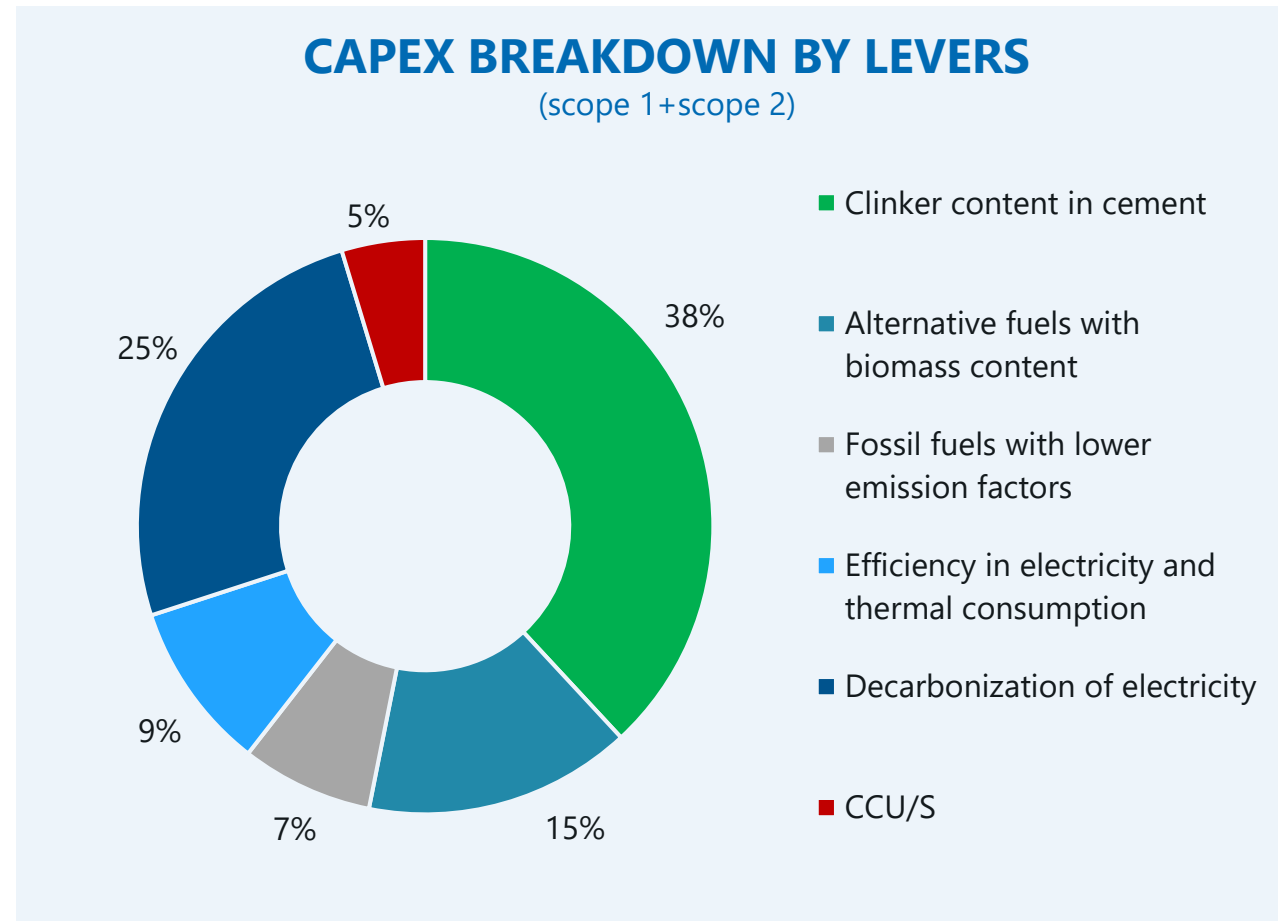
Expected capex requirements for 2030 target

**20-30%**

CO<sub>2</sub> specific capex on total annual spending

~ **8%**

Capex to net sales ratio over the period

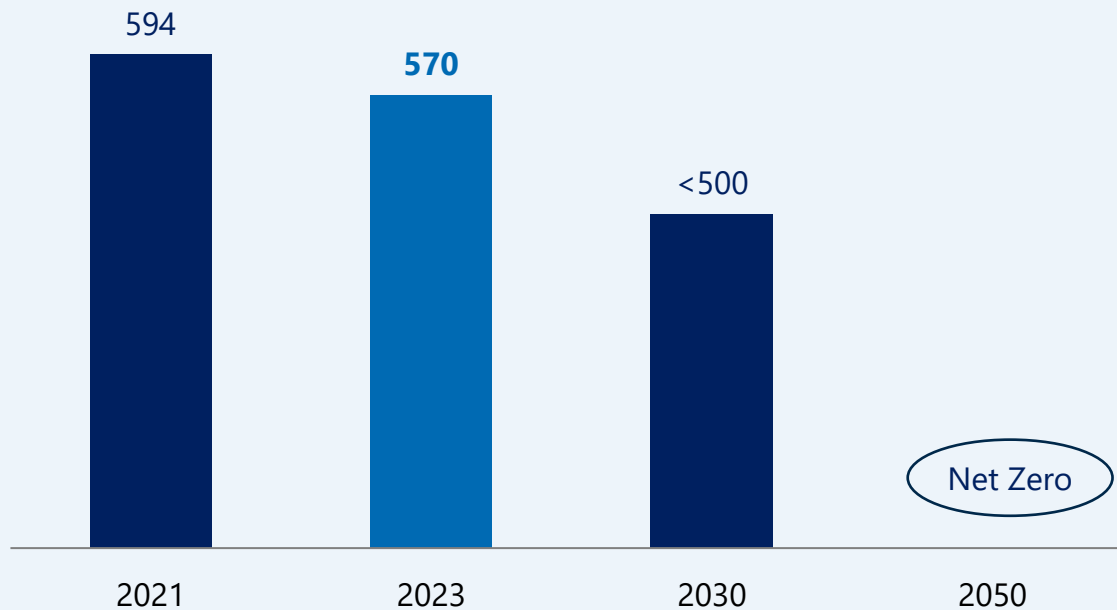




# 2023 CO2 REDUCTION ON TRACK

## Specific net CO2 emissions\*

Kg CO<sub>2</sub>/t cementitious product (net)



CO2 emissions reduction in line with our roadmap.

Among main contributors:

- ✓ Reduced clinker ratio in Luxembourg (-410bps), Italy and US.
- ✓ Significant increase in thermal substitution in Italy (+640bps), Luxembourg (+850bps) and Czech Republic (+710bps).

 Targets confirmed

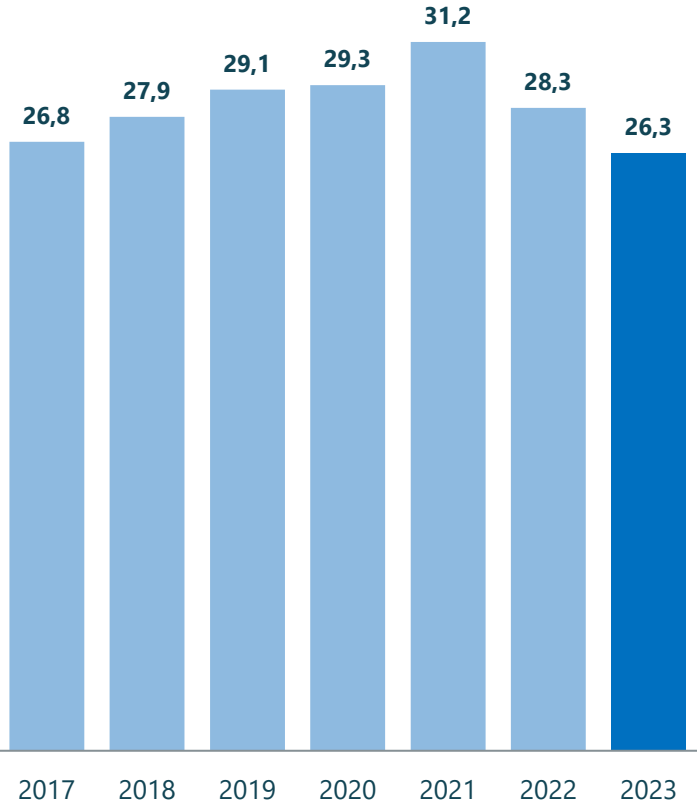
\*Roadmap perimeter excludes Russia and includes Brazil

# APPENDIX

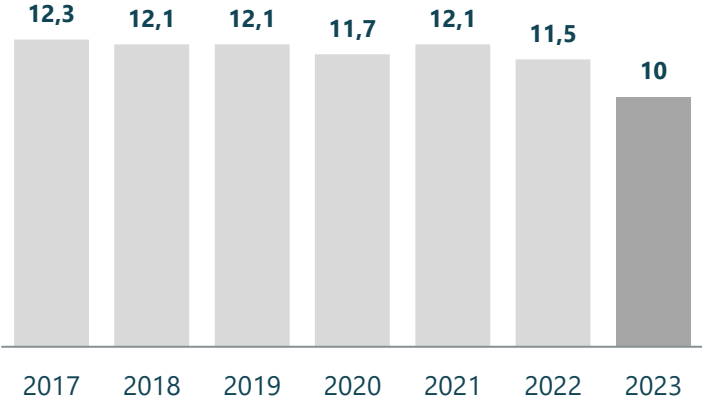


# VOLUMES

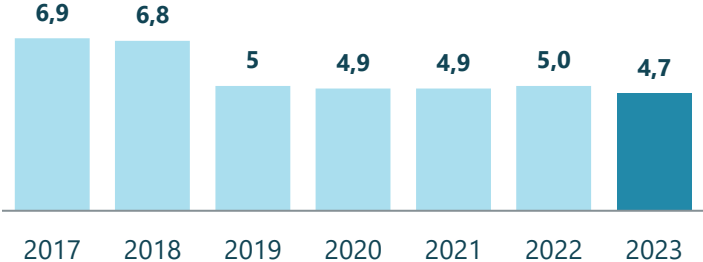
Cement (mton)



Ready-mix concrete (mm<sup>3</sup>)



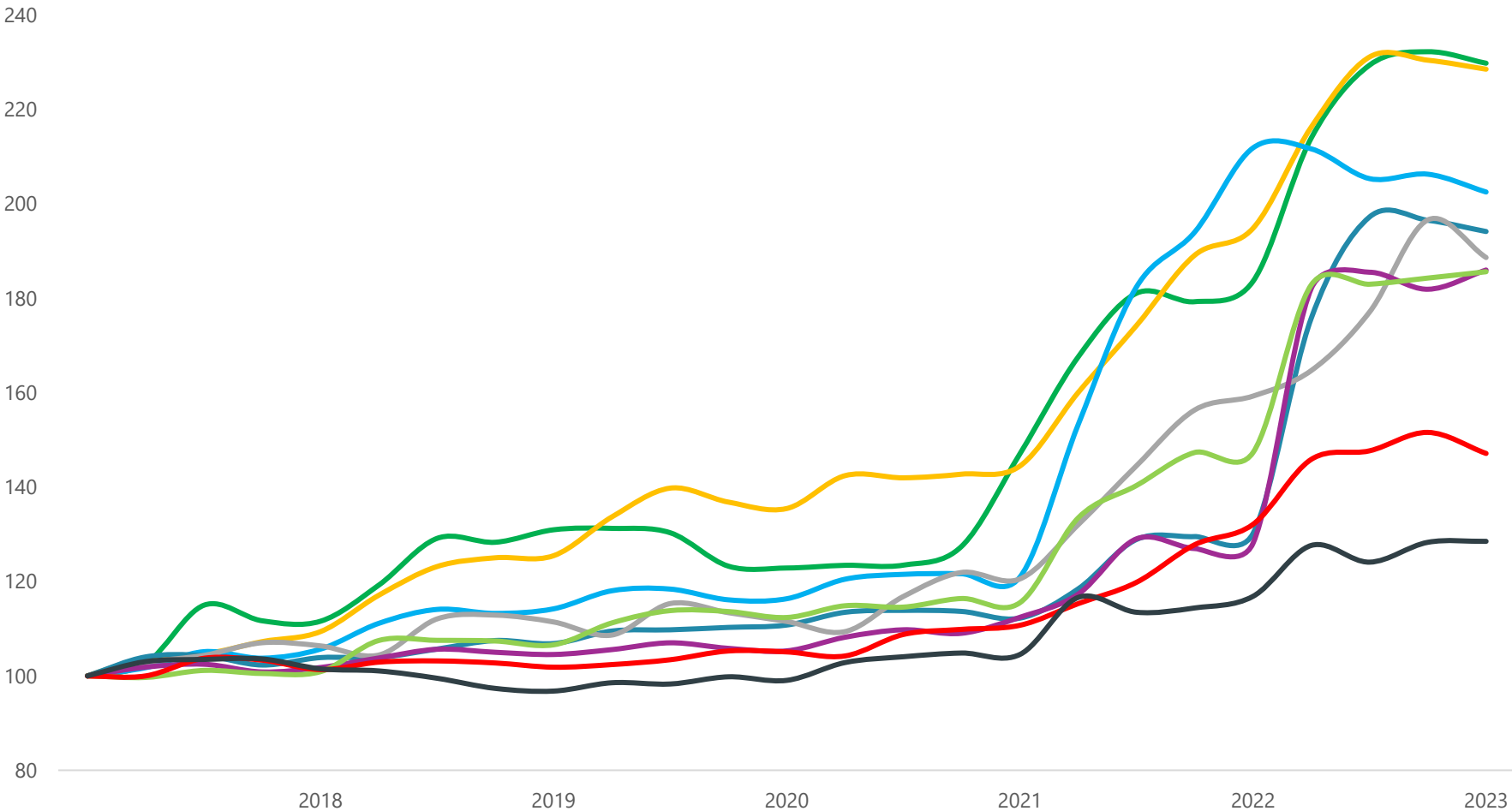
Aggregates (mton)





# PRICE INDEX BY COUNTRY

FY 2017=100



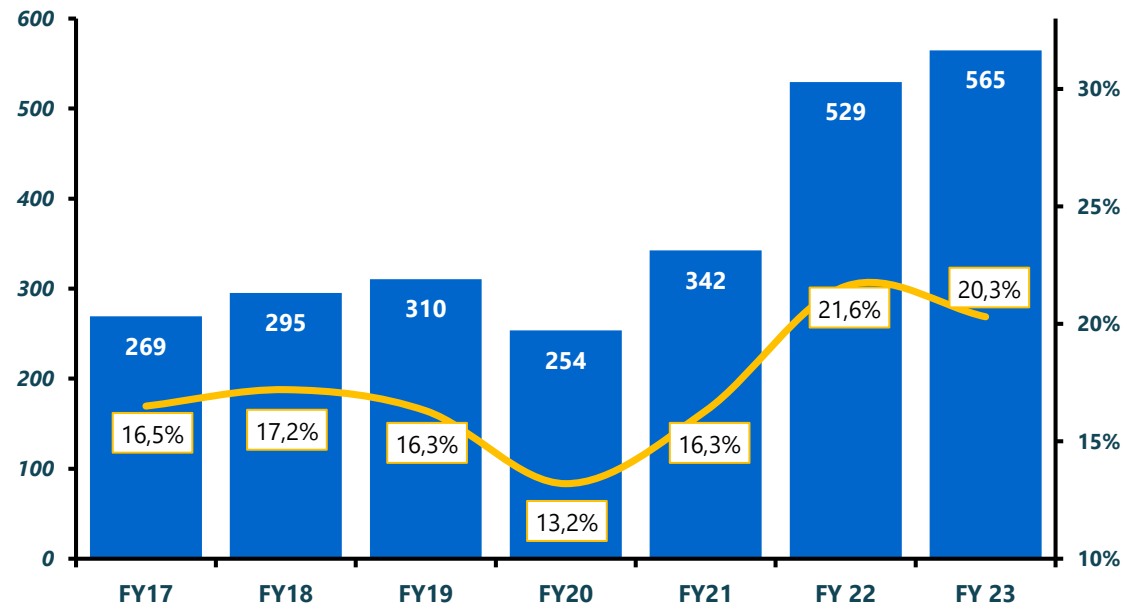
Q4 23

	Ukraine	230
	Poland	229
	Italy	203
	Germany	194
	Russia	189
	Luxembourg	186
	Czech Republic	186
	USA	147
	Mexico	129



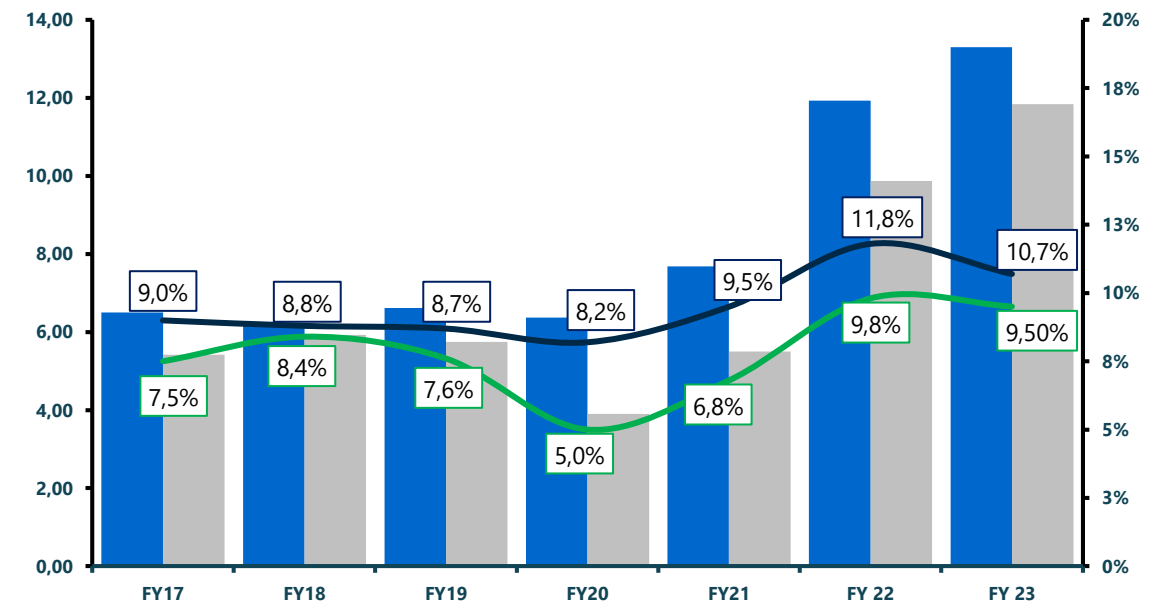
# ENERGY COST

Total energy (ex. Russia)



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

Power & Fuel (ex. Russia)



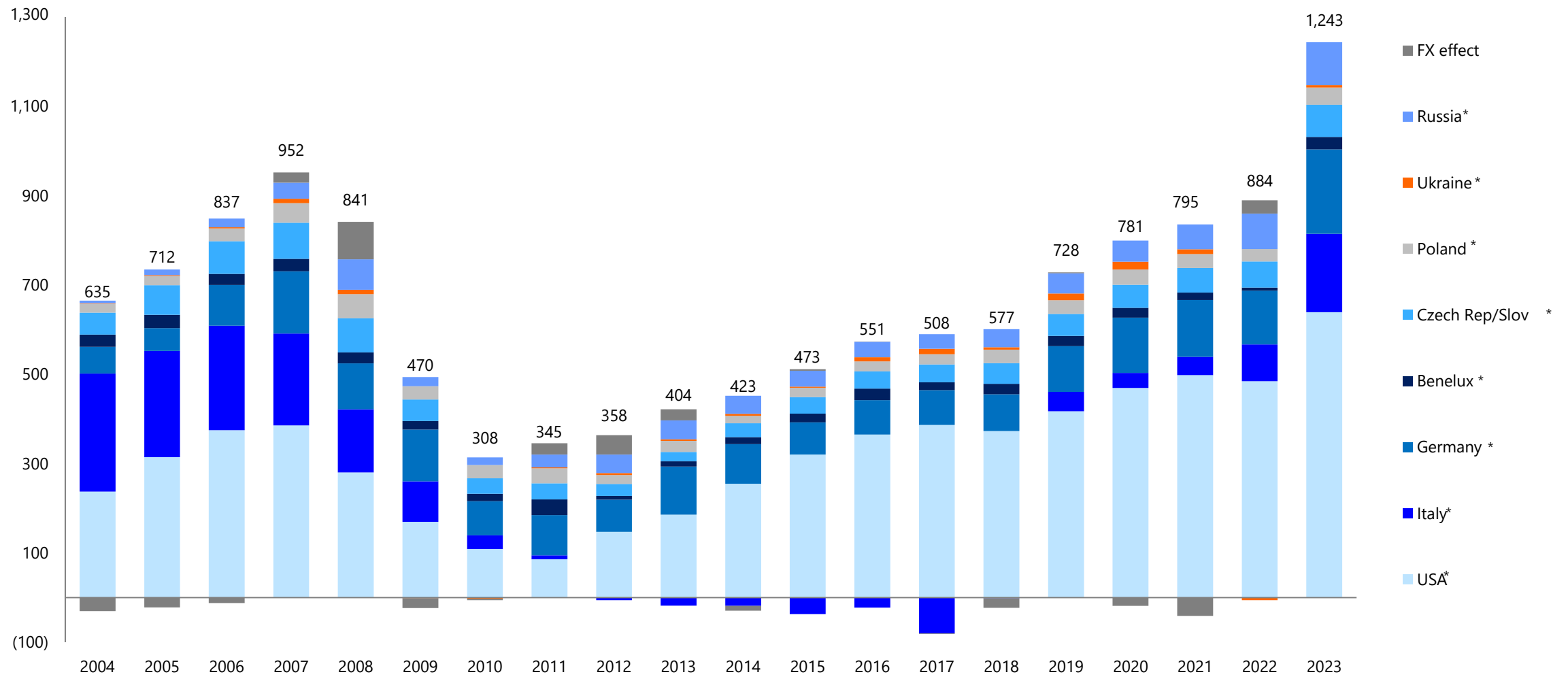
■ Power cost (€/ton)  
— Power cost / Revenues\* (%)  
■ Fuel cost (€/ton)  
— Fuel cost / Revenues\* (%)

\*only cement





# LONG TERM EBITDA EVOLUTION BY REGION

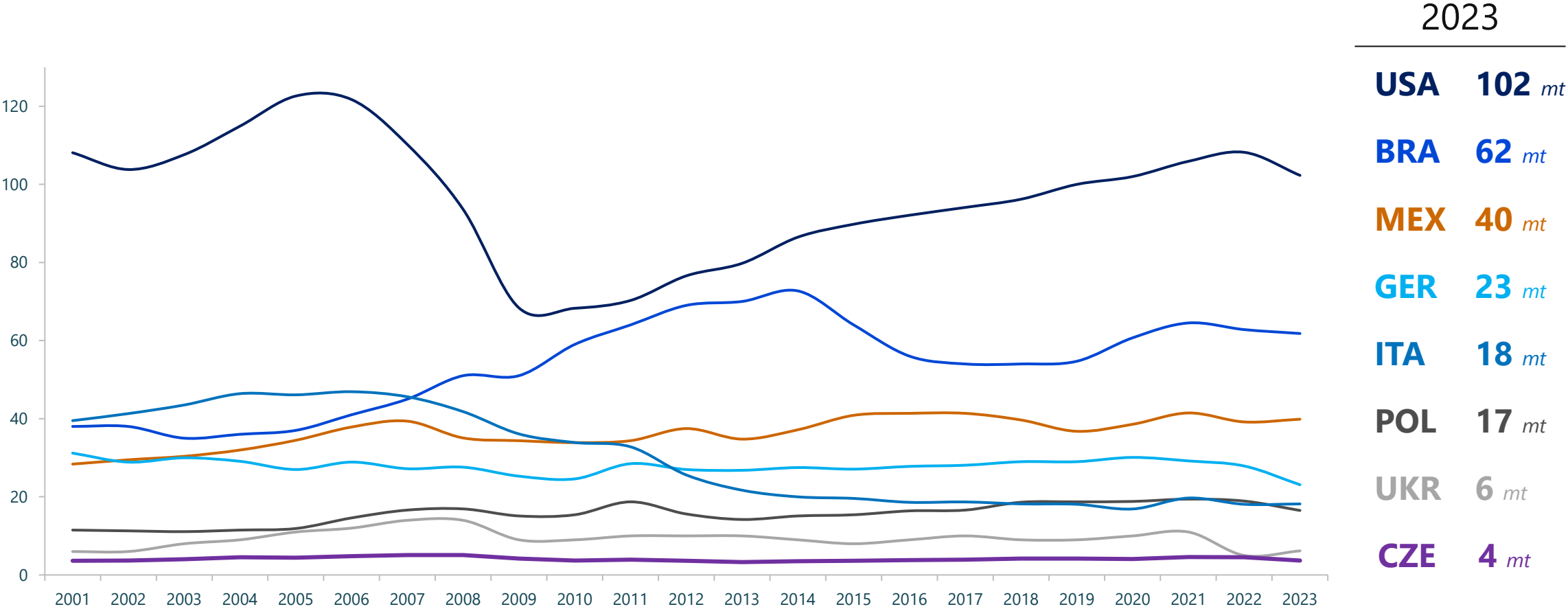


\*At constant 2023 Forex



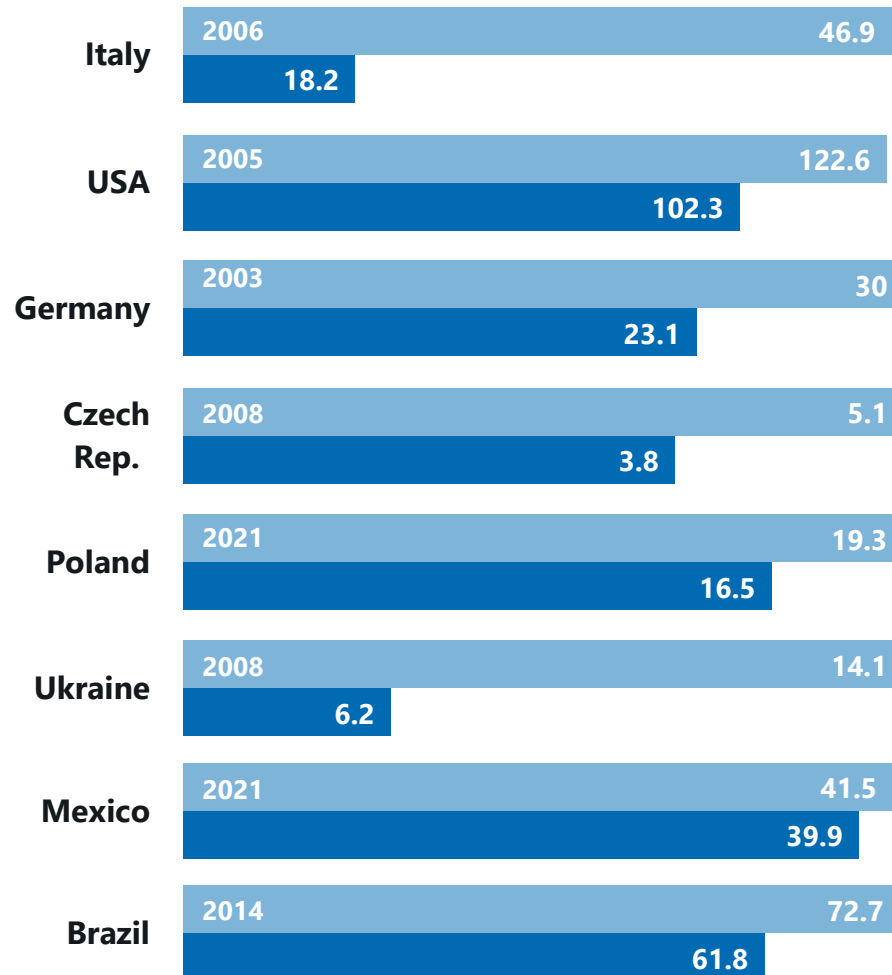


# HISTORICAL CEMENT CONSUMPTION BY COUNTRY

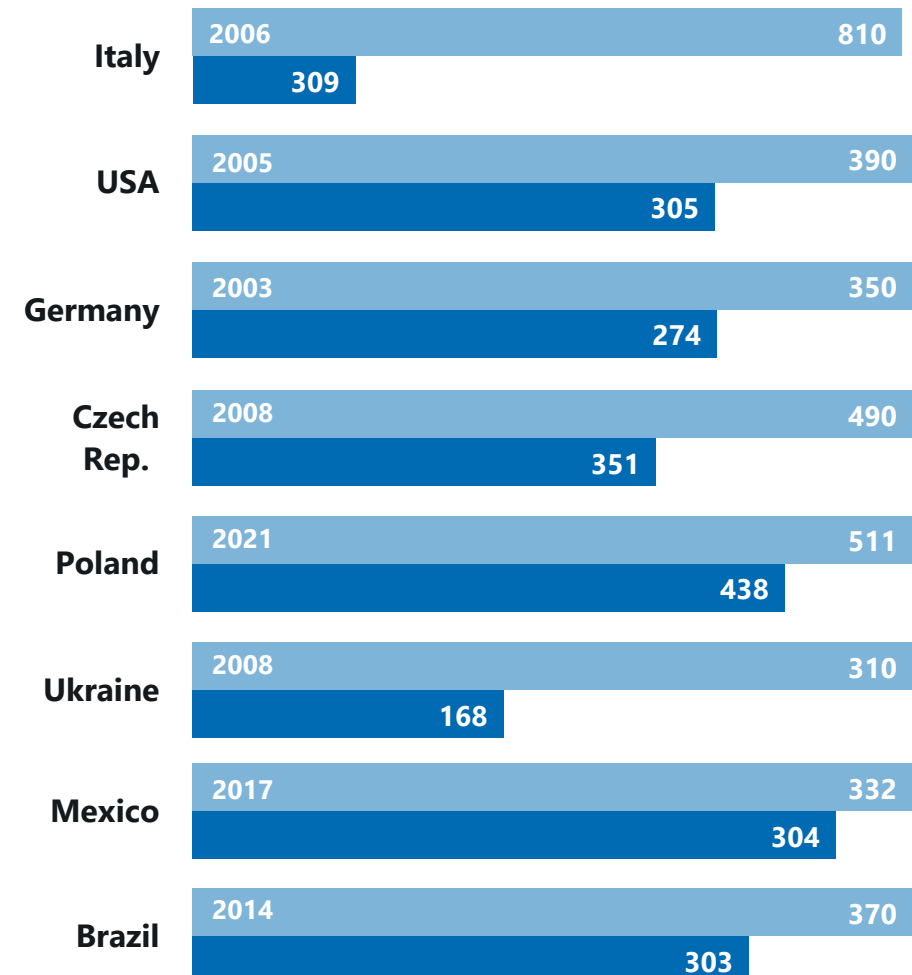


# 2023 CEMENT CONSUMPTION VS PEAK

**Total market** (m ton)



**Per capita consumption** (kg)





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.