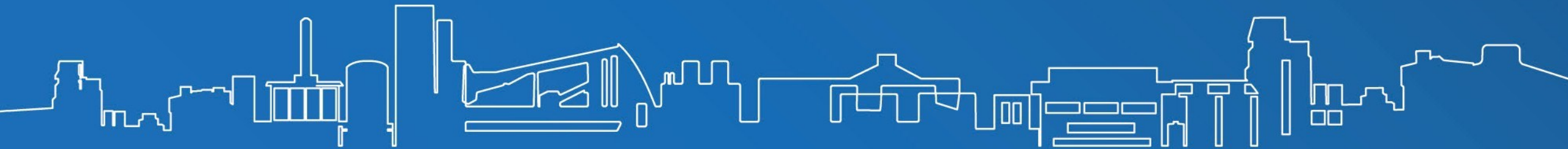


# Infrastructure & Energy Day - Borsa Italiana

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Milan, 12 September 2024



# EXECUTIVE SUMMARY

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**COMPANY OVERVIEW**

**INVESTMENT HIGHLIGHTS**

**H1 2024 OVERVIEW**

**OUTLOOK**

**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	53.0%
Treasury shares	5.8%
Market	41.2%



### NET SALES (FY 2023)

**4.3** €b

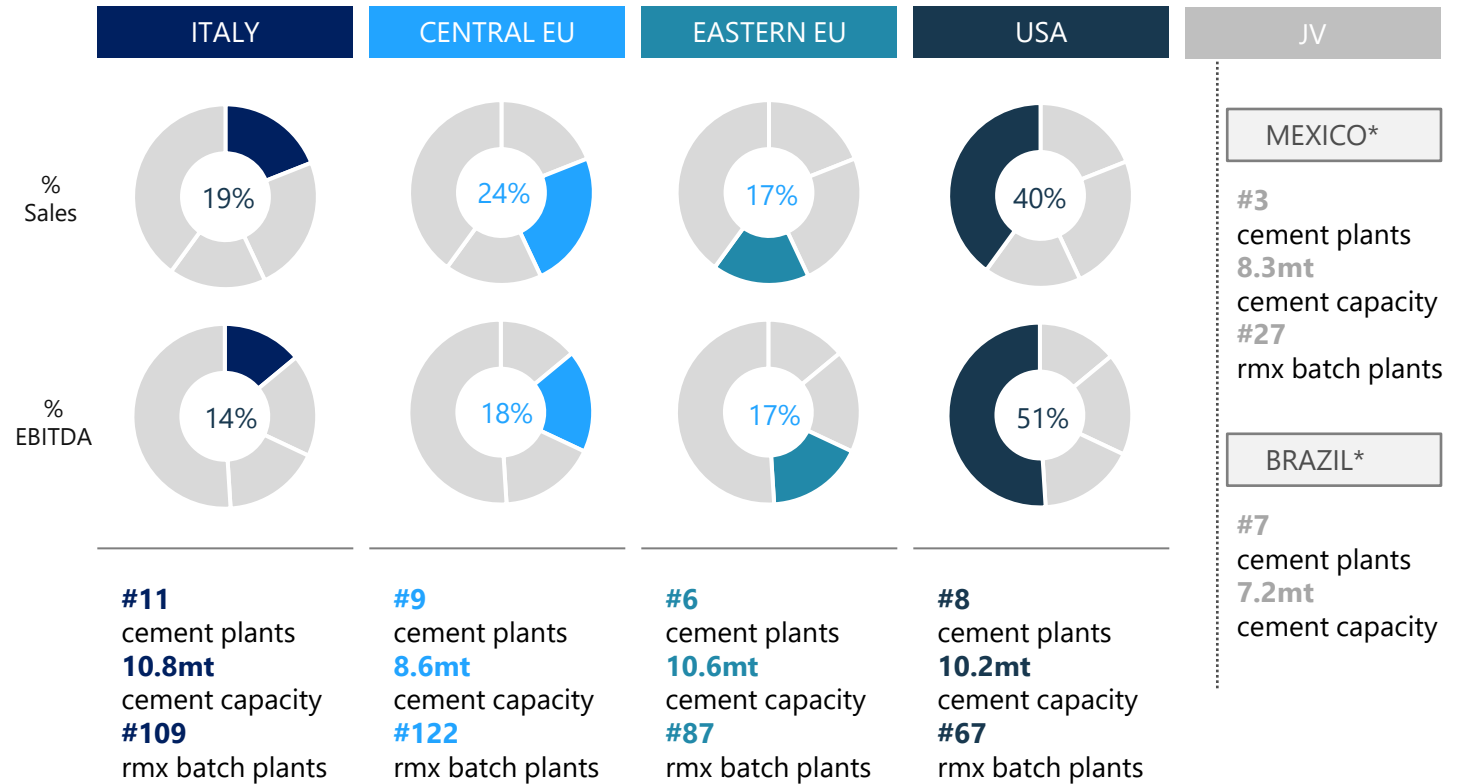
### EBITDA (FY 2023)

**1.2** €b

### NET CASH (FY 2023)

**0.8** €b

### GROUP STRUCTURE AND OPERATION



\*Figures at 100%  
\*\*@ 06/09/2024



# 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

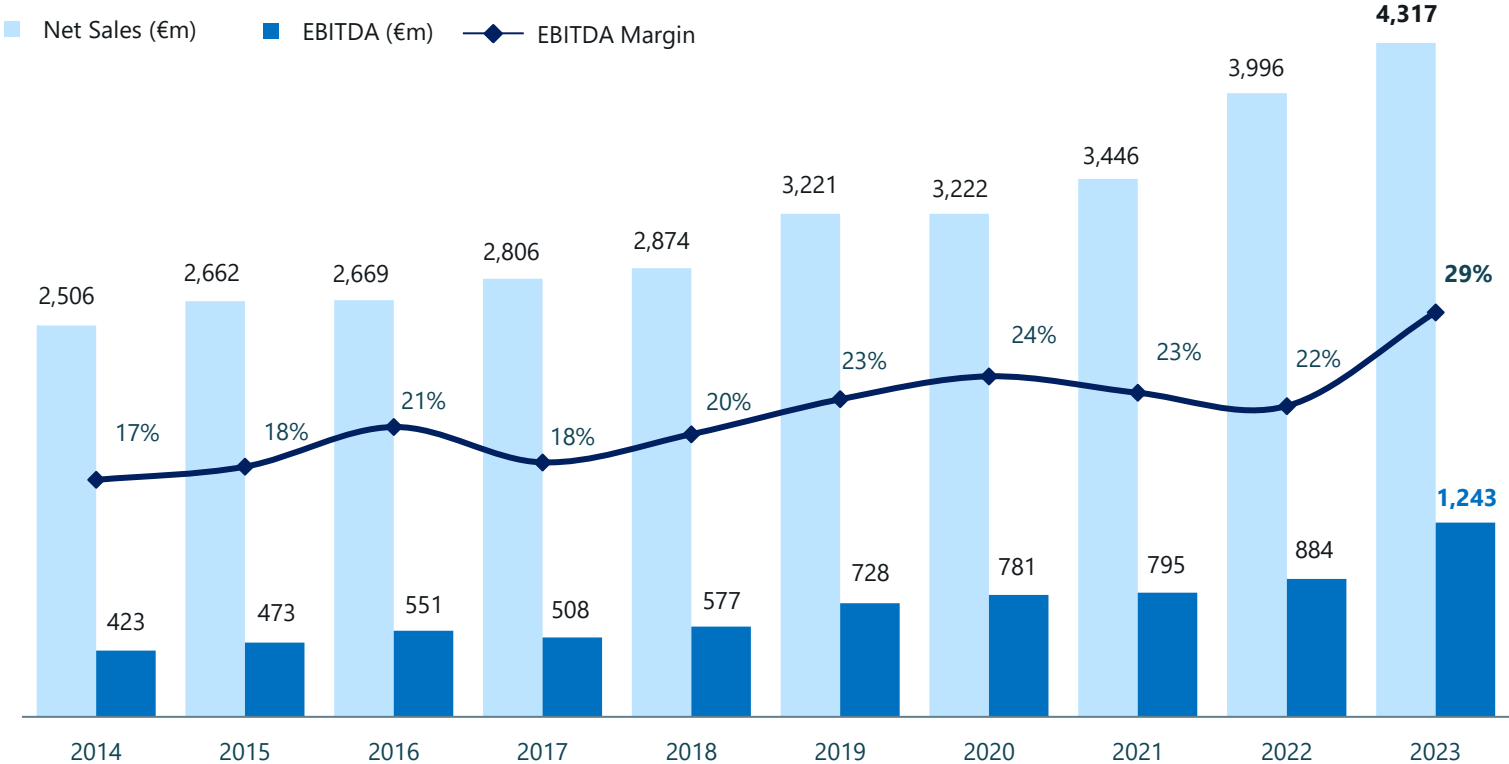
\*\* 35% ownership

# 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

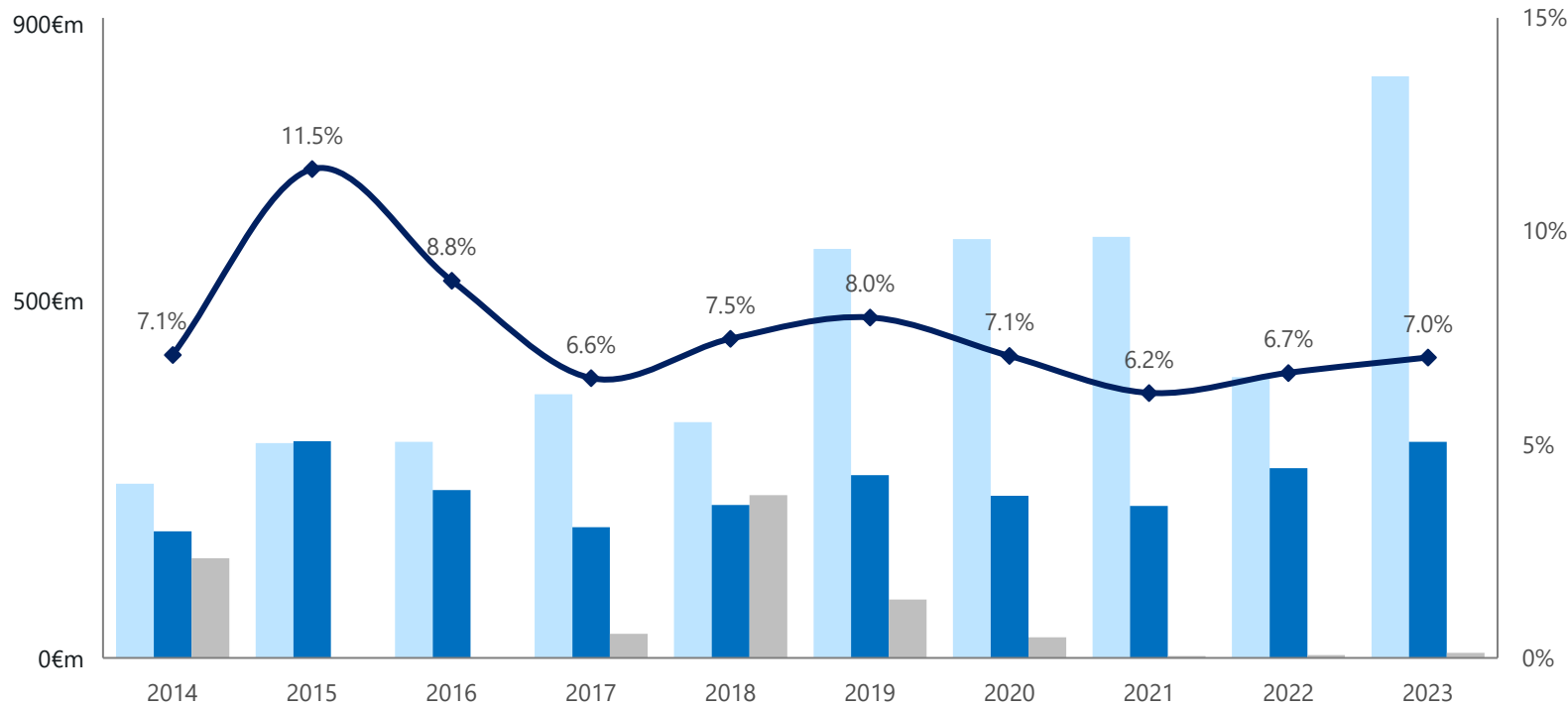


# HISTORICAL EBITDA BY COUNTRY

		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

■ Net Cash from operation 
 ■ Capex 
 ■ Financial investments 
 ◆ %Capex/Net Sales



**~4.5 €billion**

Cumulative Net Cash from Operation generated over 10 years

**~2.4 €billion**

Cumulative investments in industrial assets over the period

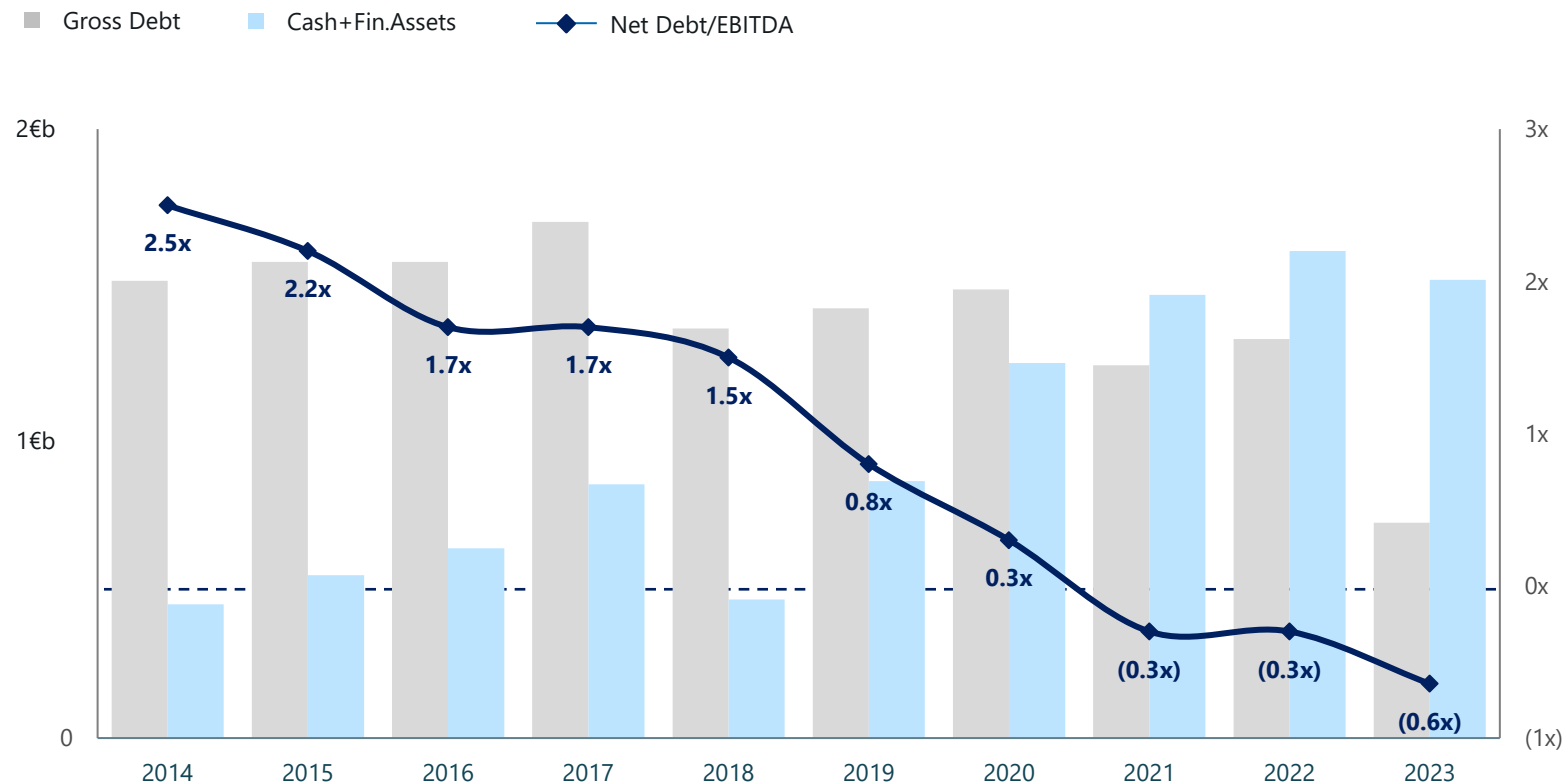
**~7.6%**

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

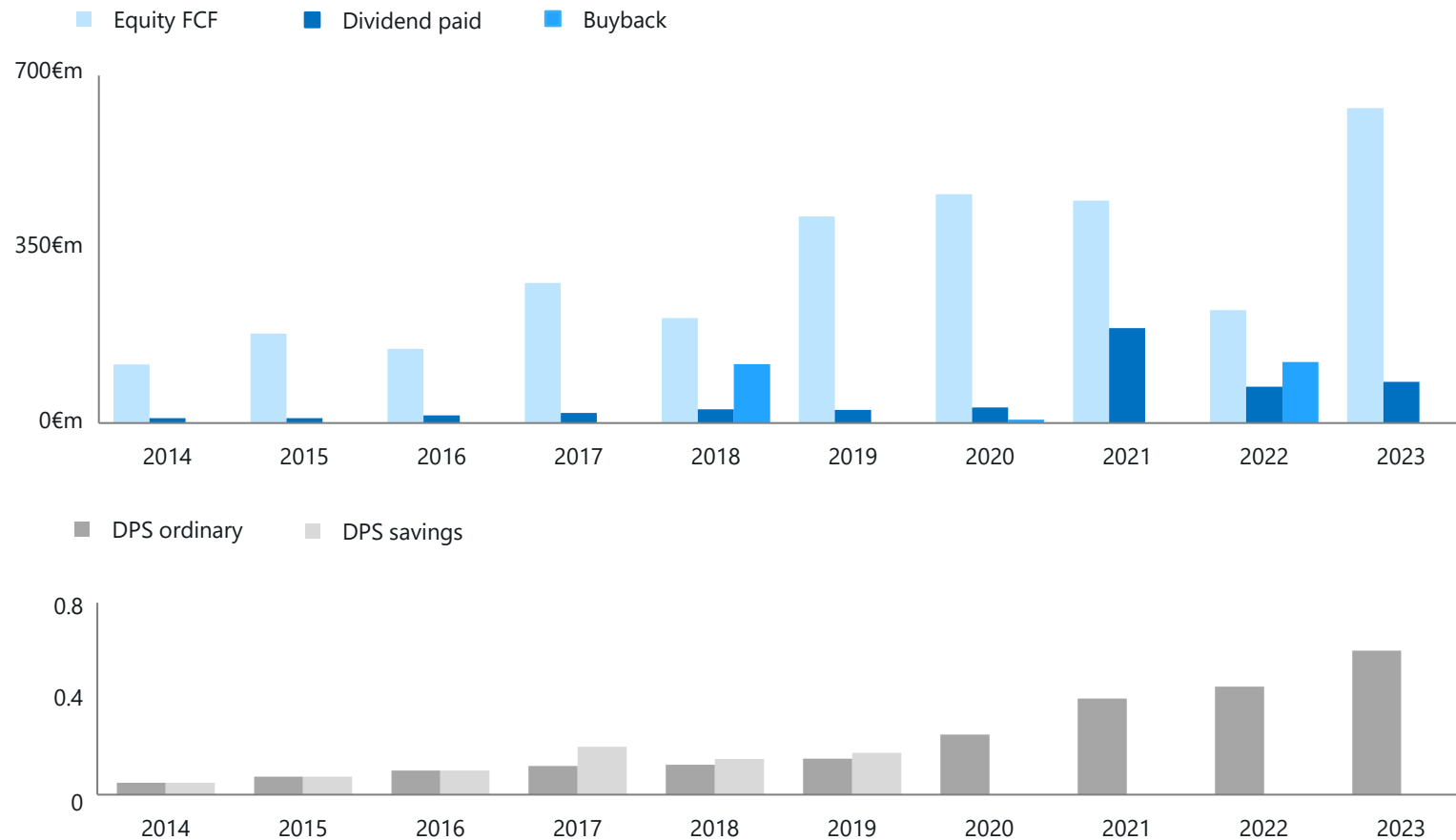
## Net Cash position

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 dividend  
~250 € million ad buyback

**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

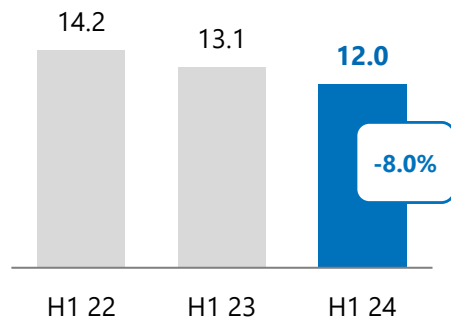
## ...AND EXTERNAL FUNDING

- 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.

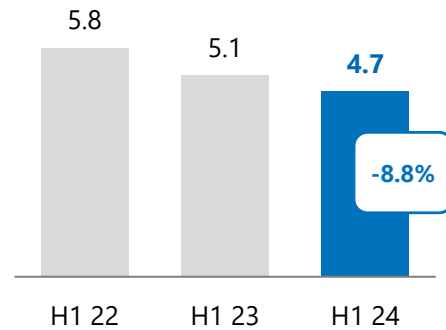
# H1 2024 OVERVIEW

# H1 2024 IN BRIEF

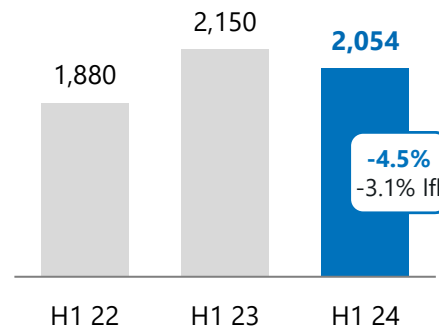
**Cement Volume**  
(mt)



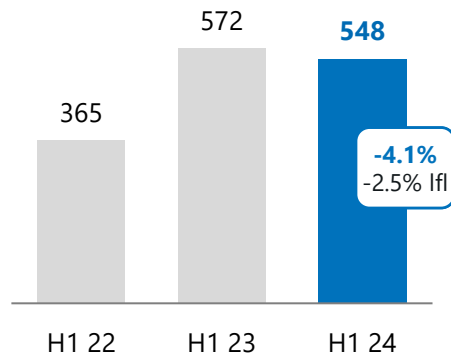
**Ready-mix volume**  
(mm<sup>3</sup>)



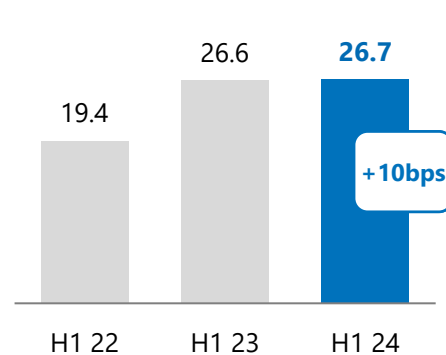
**Net Sales**  
(€m)



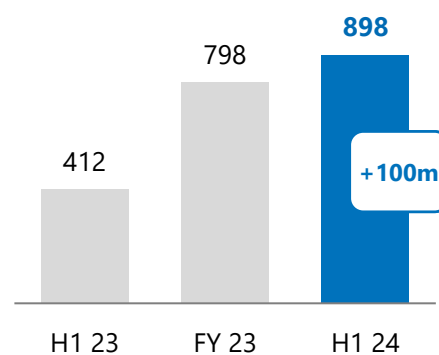
**EBITDA\***  
(€m)



**EBITDA margin\***  
(%)



**Net Cash**  
(€m)



Weak demand in Central Europe and unfavorable weather conditions impacting Q2 volumes both in cement (-5.8%) and ready-mix (-6.8%)



Favorable price contribution to Net Sales partially offset by fx headwind (-27€m).



Stable H1 EBITDA margin, confirming last year excellent result



Positive price over cost dynamic in Italy and US counterbalancing lower margins in Central and Eastern Europe.



Net Cash Position improved by 100€m compared to the FY 23.



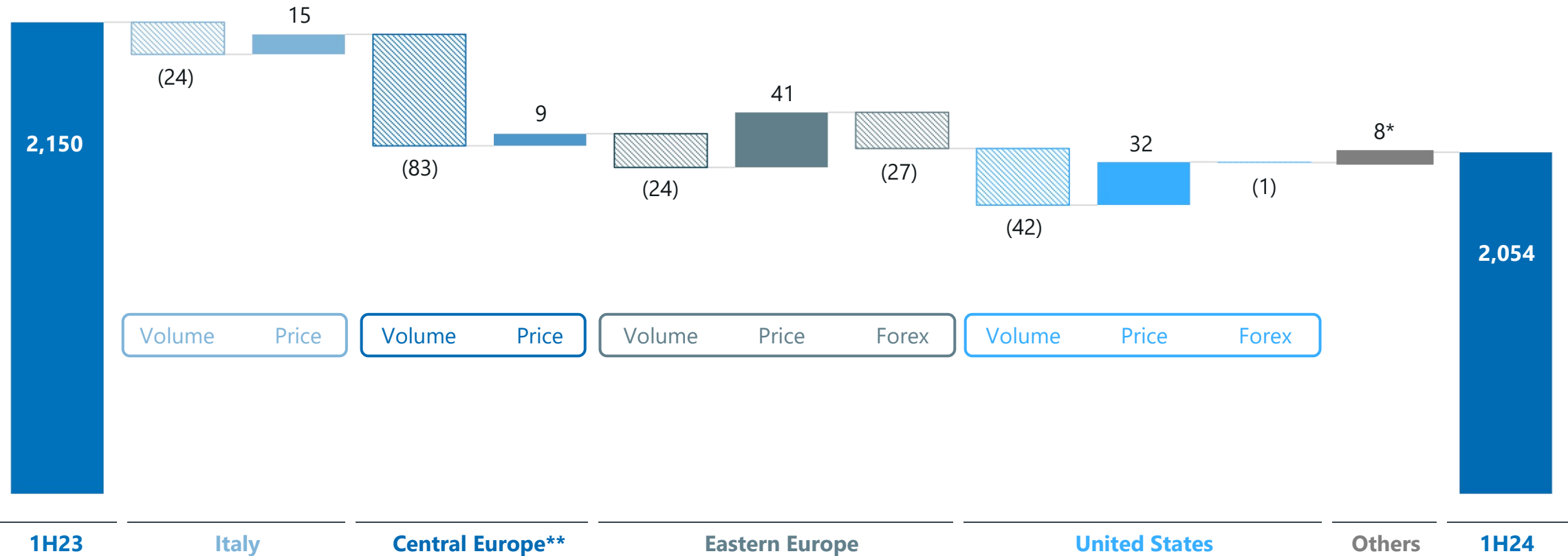
Guidance confirmed: 2024 Recurring EBITDA akin to last year record level

\* Recurring



# NET SALES VARIANCE BY REGION

(€m)



\*Intercompany eliminations and adjustments

\*\* Including change in scope of -2.2 €m

Unfavorable

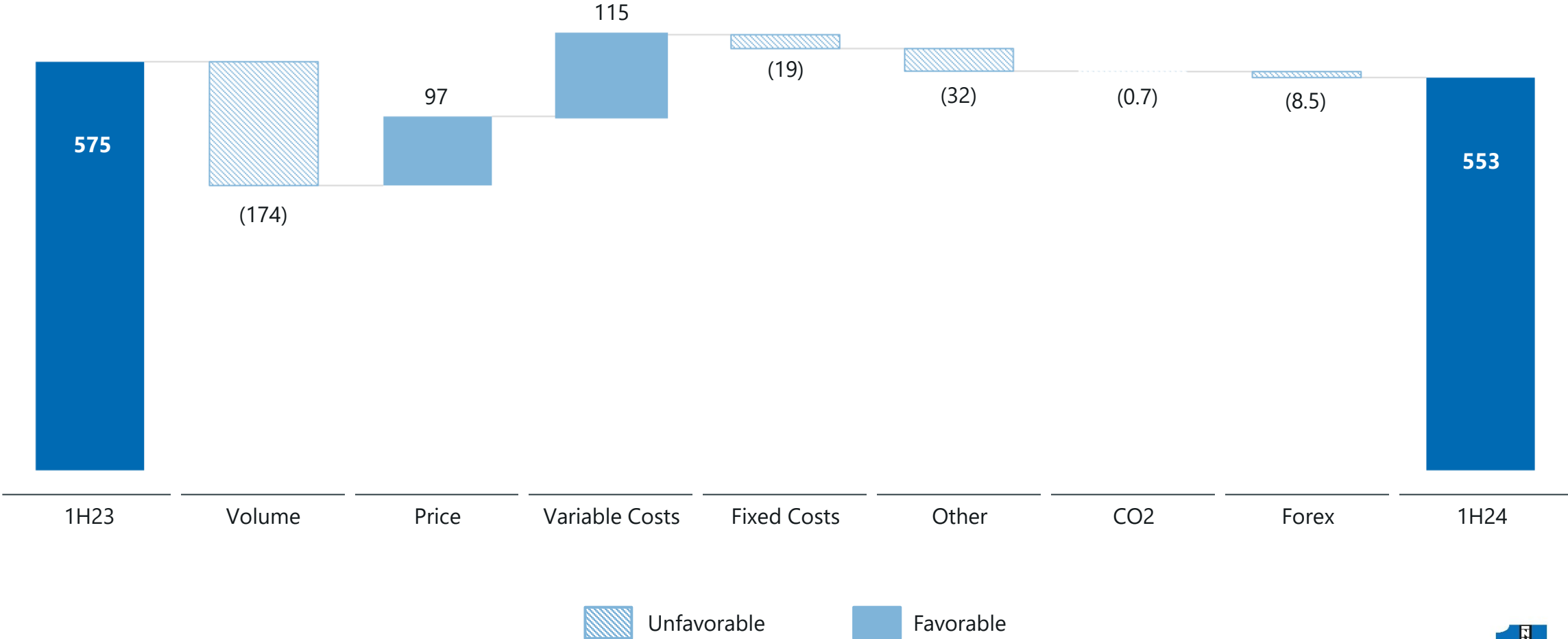
Favorable



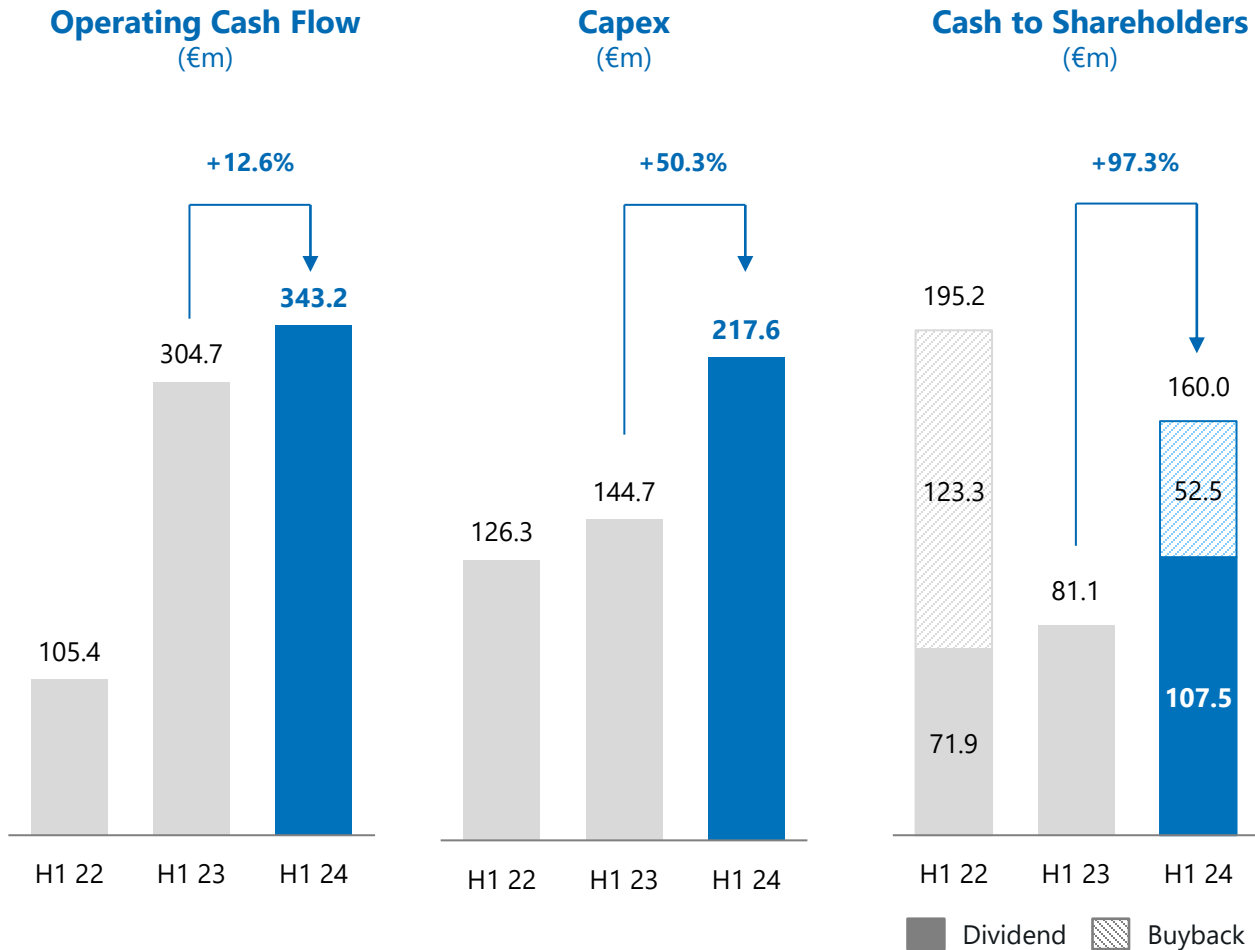


# EBITDA VARIANCE

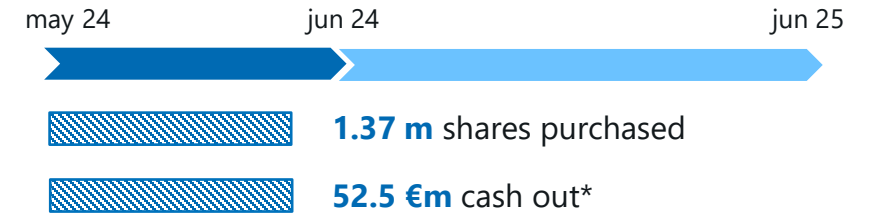
(€m)



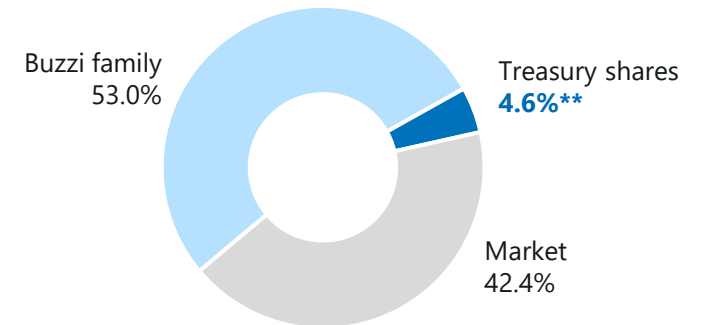
# CASH GENERATION & CAPITAL ALLOCATION



**Buyback program 2024-2025: 200 €m**



## Shareholder Structure (as of 30/06/2024)



\*26% of total program

\*\*8.86 million treasury shares as of 30/06/2024

# OUTLOOK

# OUTLOOK



Latest forecasts point to a better development in construction activity during H2, with still subdued investments in Central Europe, burdened by residential weakness, and a more resilient demand in the other Regions; civil engineering works continue to appear the main industry driver, particularly in Italy and United States



Energy costs are expected to stabilize in the following quarters



Price over cost evolution remains a key priority for the group



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



Concerning the acquisition of the remaining 50% of the Brazilian joint venture, Buzzi received the approval by the antitrust authority (CADE) and we expect to close the transaction in October 2024

# OUR JOURNEY TO NET ZERO



# OUR JOURNEY TO NET ZERO

## TRACK RECORD IN CO2 EMISSIONS REDUCTION AND AMBITIOUS TARGETS

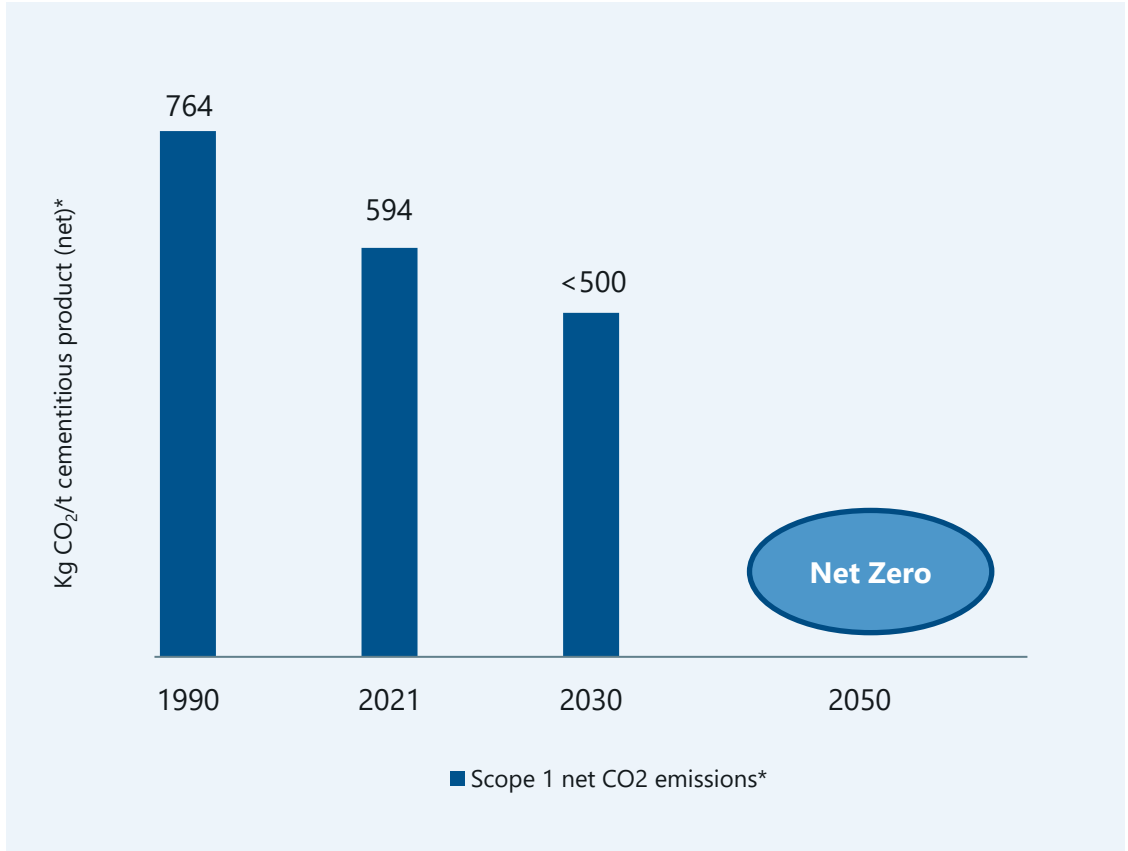
Proven track record in CO<sub>2</sub> emissions reduction.  
Already reduced by ~20% CO<sub>2</sub> emissions in 2021 vs 1990.

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



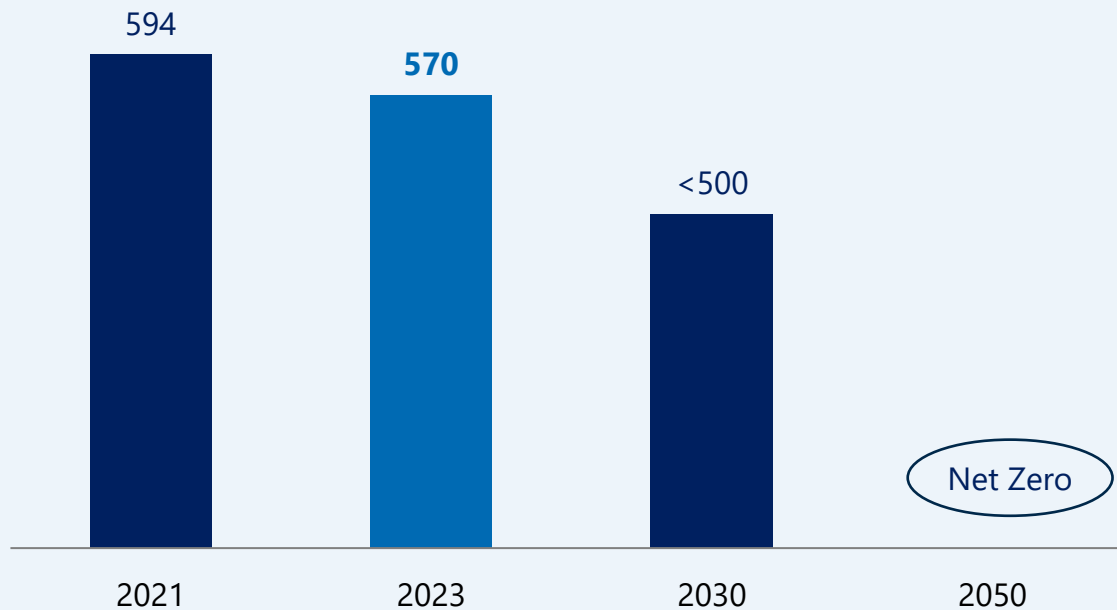
\*Scope including Brazil, excluding Russia



# 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



# ENVIRONMENTAL TRANSPARENCY



As part of the company's decarbonization strategy, after the validation of our CO2 emissions reduction target by the Science Based Target initiative (SBTi), in 2023 Buzzi participated in the Carbon Disclosure Project (CDP) questionnaire, receiving the B score.



In this way, the company has furthered its commitment to environmental transparency by disclosing its ecological footprint.

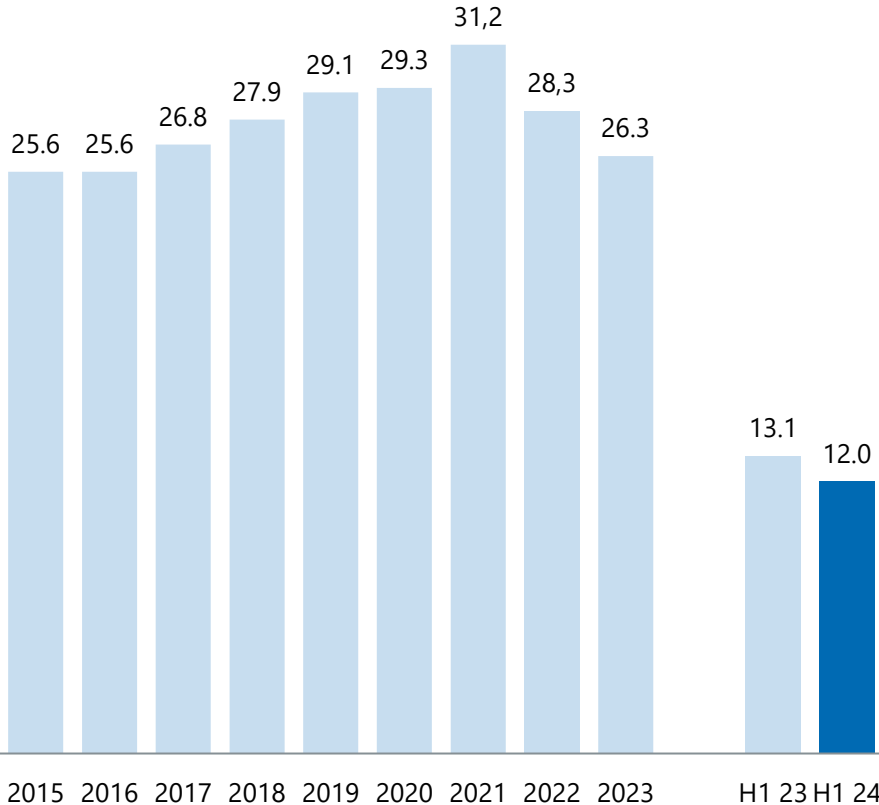


# APPENDIX

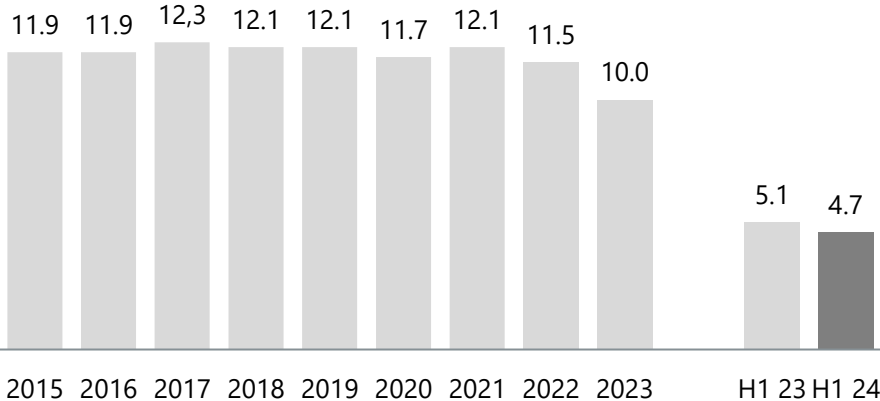


# VOLUMES

### Cement (mt)



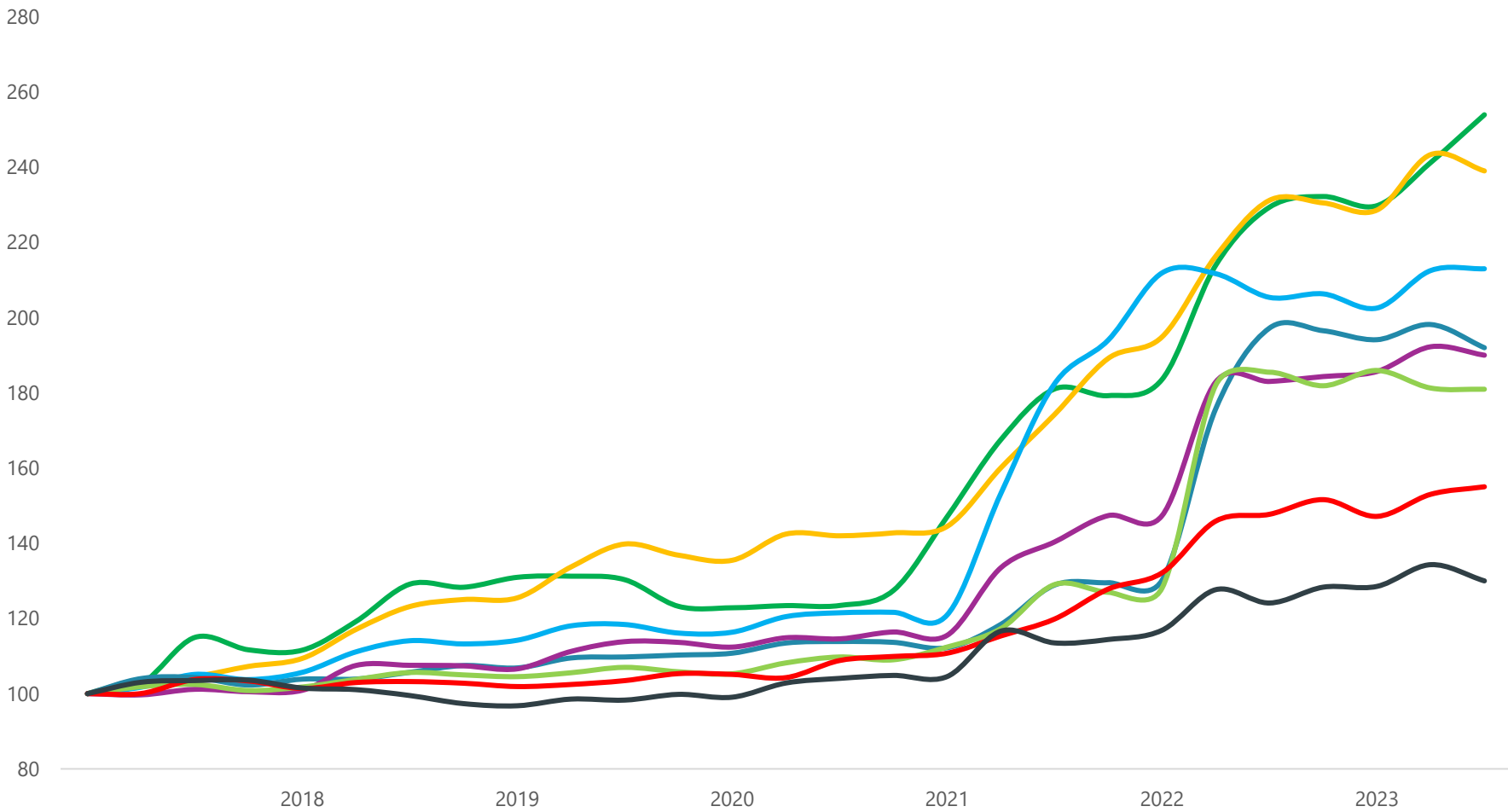
### Ready-mix concrete (mm<sup>3</sup>)





# PRICE INDEX BY COUNTRY

FY 2017=100



Q2 24

Ukraine	254
Poland	239
Italy	213
Germany	192
Czech Republic	190
Luxembourg	181
USA	155
Mexico	130



# NET SALES BY COUNTRY

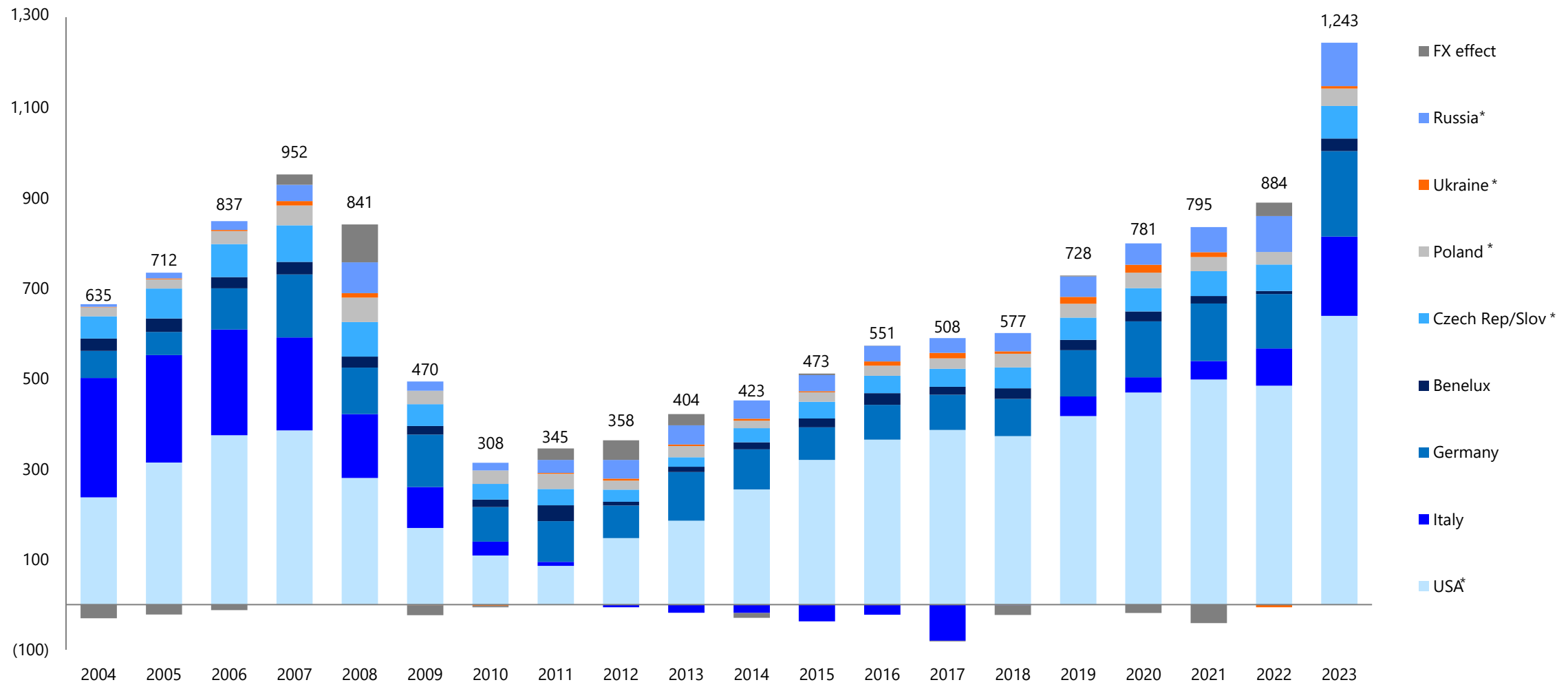
EURm	H1 2024	H1 2023	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	414.4	424.1	(9.7)	-2.3	-	-	-2.3
United States	836.5	846.8	(10.3)	-1.2	(0.5)	-	-1.2
Germany	388.0	441.3	(53.4)	-12.1	-	-	-12.1
Lux / Netherlands	89.1	115.8	(26.7)	-23.1	-	(2.2)	-21.5
Czech Rep / Slovakia	96.2	102.8	(6.6)	-6.5	(5.2)	-	-1.4
Poland	73.1	76.6	(3.5)	-4.6	4.9	-	-10.9
Ukraine	44.7	35.1	9.7	+27.6	(3.0)	-	+36.2
Russia	132.5	142.8	(10.3)	-7.2	(23.1)	-	+9.0
<i>Eliminations</i>	<i>(20.9)</i>	<i>(35.6)</i>	<i>14.7</i>				
<b>Total</b>	<b>2,053.6</b>	<b>2,149.6</b>	<b>(96.1)</b>	<b>-4.5</b>	<b>(27.0)</b>	<b>(2.2)</b>	<b>-3.1</b>
Mexico (100%)	552.4	500.2	52.2	+10.4	32.0	-	+4.0
Brazil (100%)	186.9	189.7	(2.8)	-1.5	(0.3)	-	-1.3

# EBITDA BY COUNTRY

EURm	H1 2024	H1 2023	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
Italy	107.9	98.5	9.3	+9.5	-	-	+9.5
United States	280.2	256.9	23.3	+9.1	(0.2)	-	+9.1
Germany	73.9	100.1	(26.2)	-26.1	-	-	-26.1
Lux / Netherlands	4.7	12.6	(7.9)	-62.6	-	(0.3)	-61.5
Czech Rep / Slovakia	28.3	33.6	(5.4)	-16.0	(1.6)	-	-11.2
Poland	12.7	22.7	(10.1)	-44.3	0.8	-	-48.0
Ukraine	2.4	2.3	0.1	+3.7	(0.2)	-	+10.7
Russia	42.8	48.4	(5.7)	-11.7	(7.5)	-	+3.7
<i>Adjustments</i>	<i>(0.0)</i>	<i>0.0</i>					
<b>Total</b>	<b>552.7</b>	<b>575.3</b>	<b>(22.5)</b>	<b>-3.9</b>	<b>(8.5)</b>	<b>(0.3)</b>	<b>-2.4</b>
Mexico (100%)	254.5	227.3	27.3	+12.0	14.7	-	+5.5
Brazil (100%)	44.5	38.3	6.3	+16.4	(0.1)	-	+16.6



# LONG TERM EBITDA EVOLUTION BY REGION

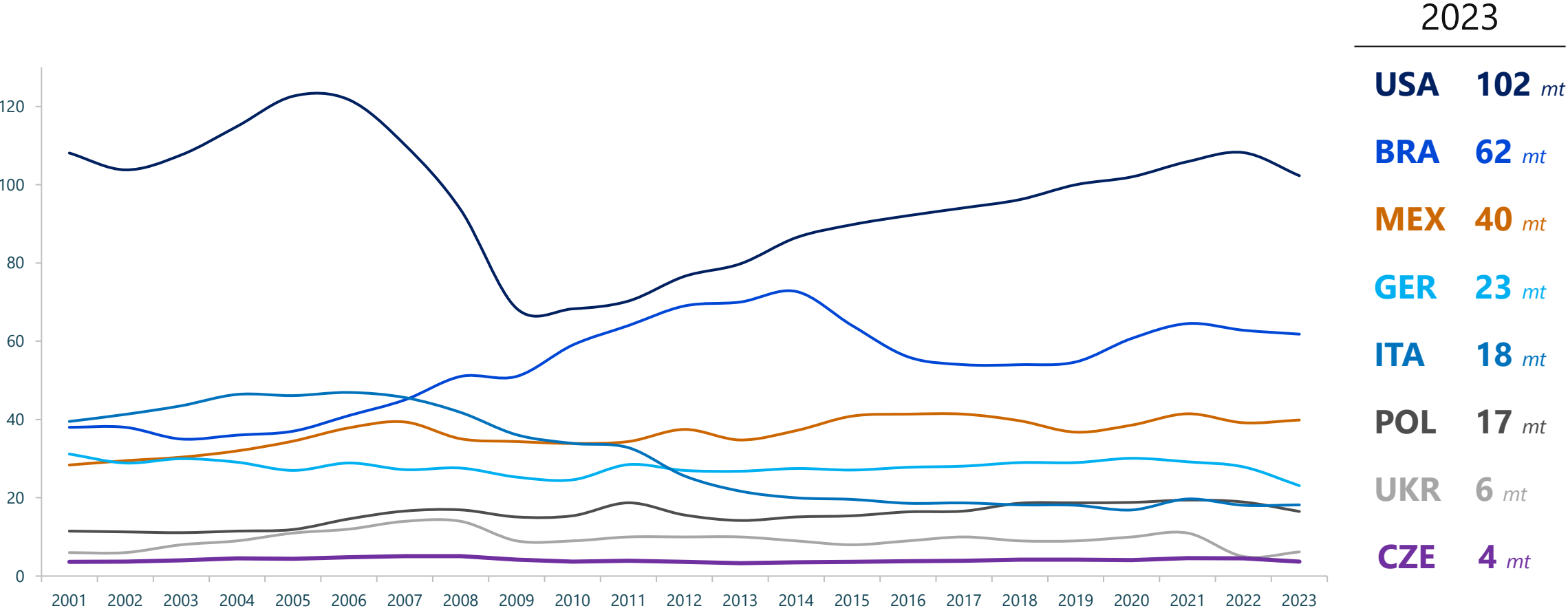


\*At constant 2023 Forex





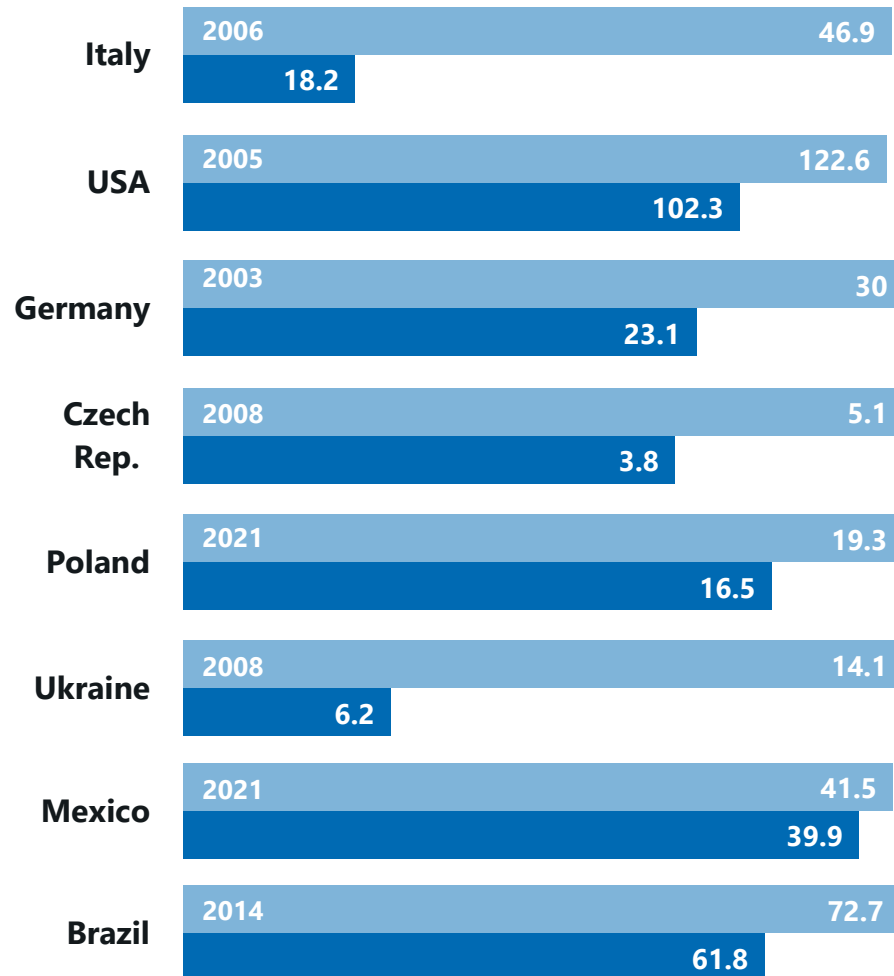
# HISTORICAL CEMENT CONSUMPTION BY COUNTRY



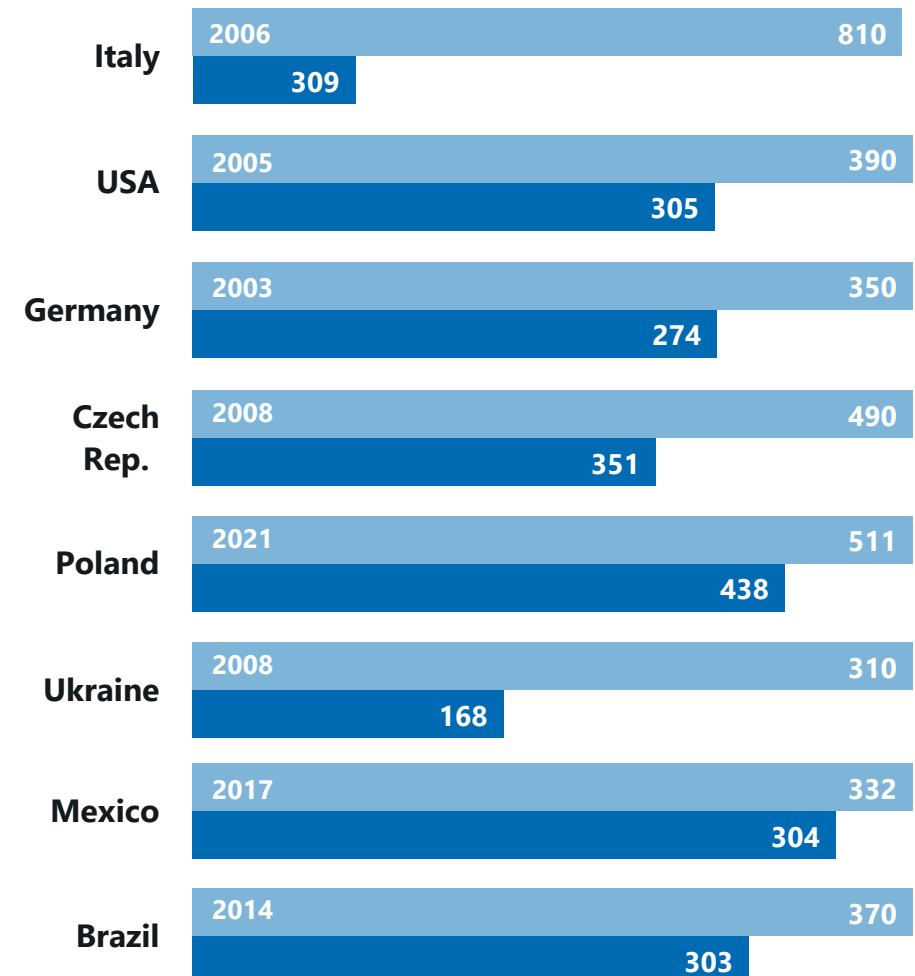


# 2023 CEMENT CONSUMPTION VS PEAK

## 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.