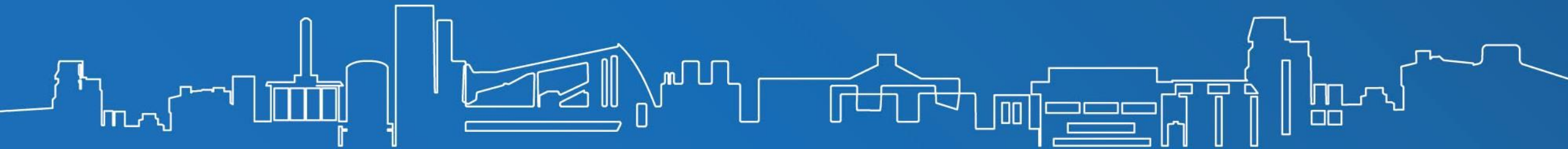


# 10<sup>th</sup> Italian CEO Conference

## Mediobanca

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Milan, 19 June 2024



# EXECUTIVE SUMMARY

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**COMPANY OVERVIEW**

**INVESTMENT HIGHLIGHTS**

**Q1 2024 OVERVIEW**

**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%)

**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	4.4%
Market	42.6%



### NET SALES

**4.3** €b

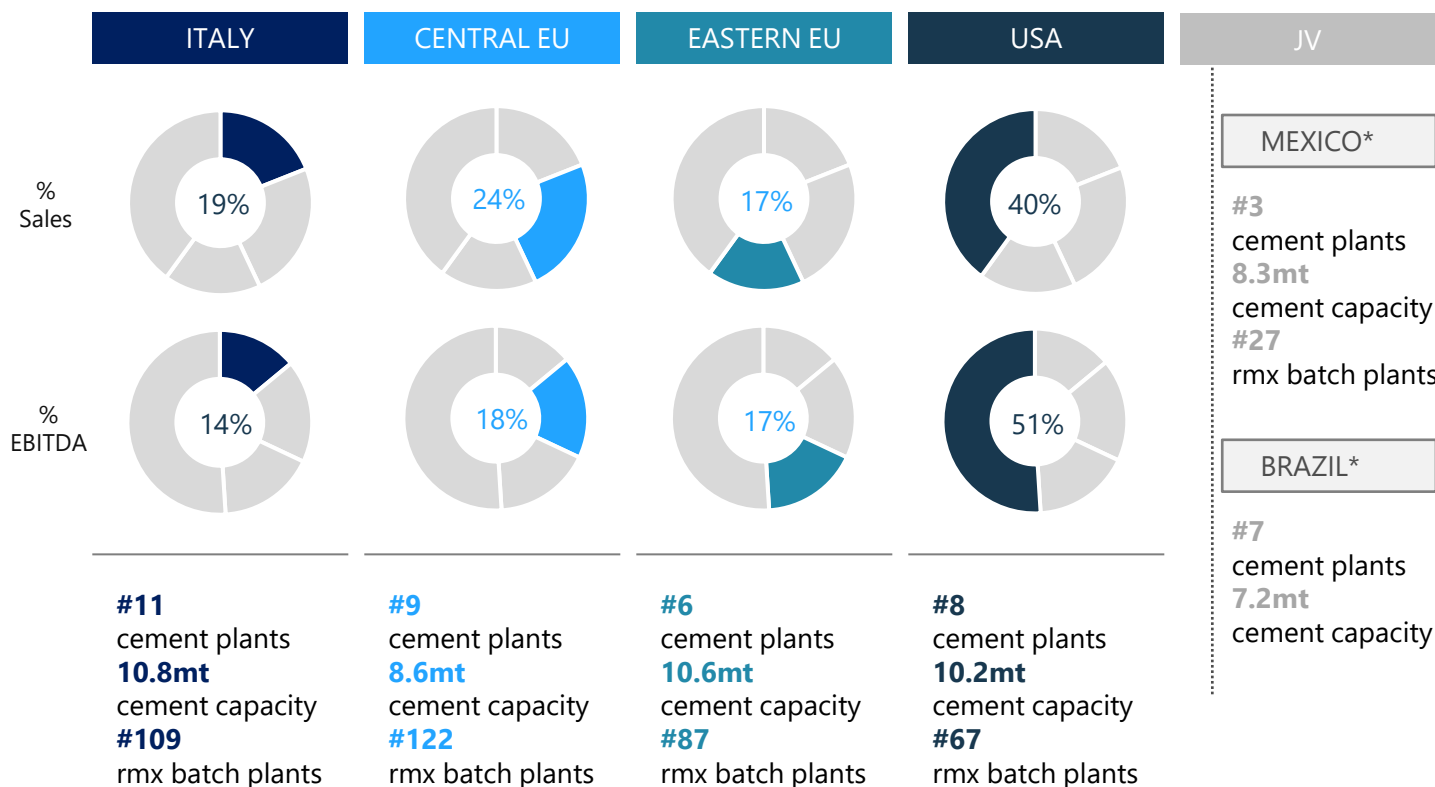
### EBITDA

**1.2** €b

### NET CASH

**0.8** €b

### GROUP STRUCTURE AND OPERATION



\*Figures at 100%  
\*\*@ 14/06/2024



# 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

## 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

## SLOVENIA\*\*

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

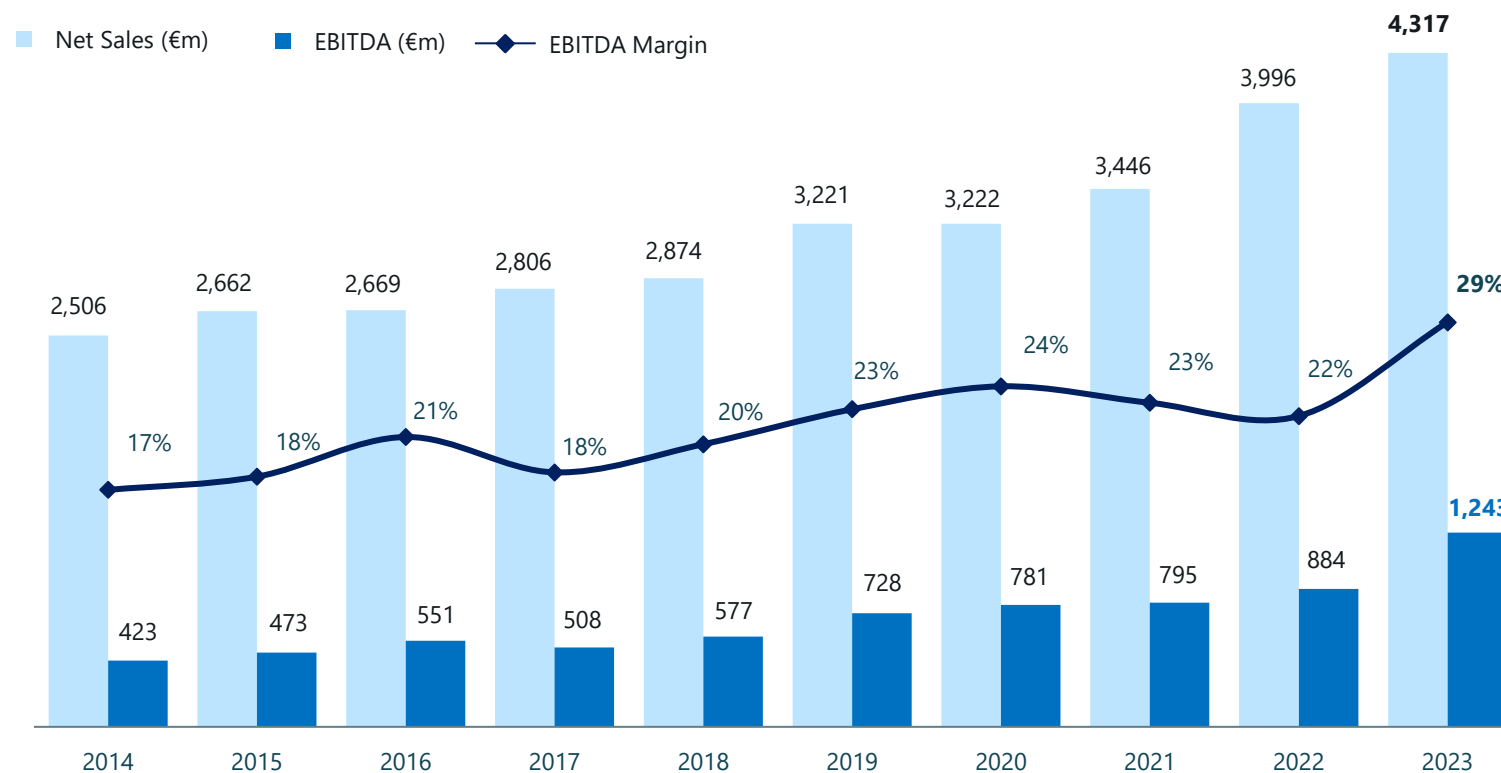
\* Joint ventures

\*\* 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

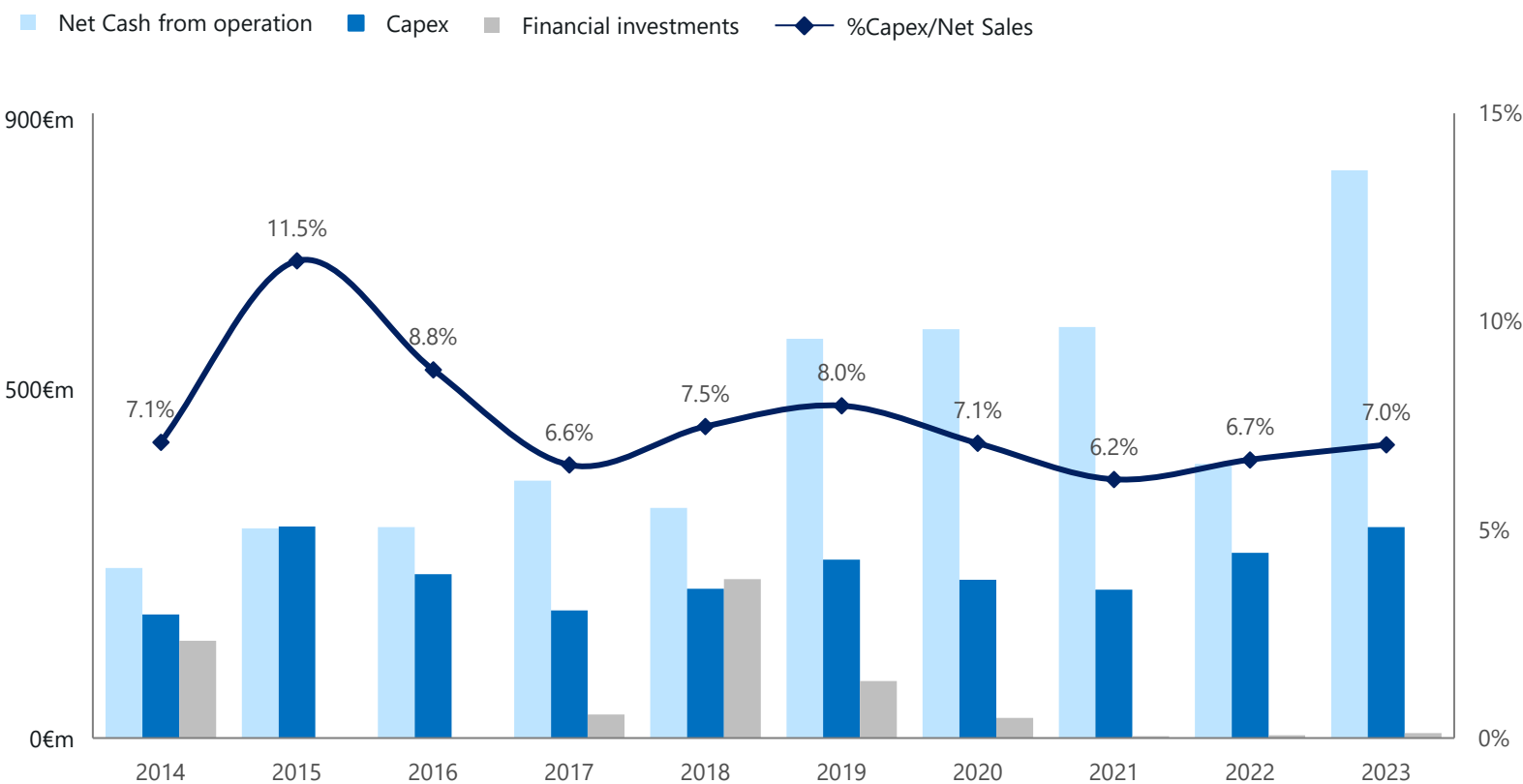
## Margin protection

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

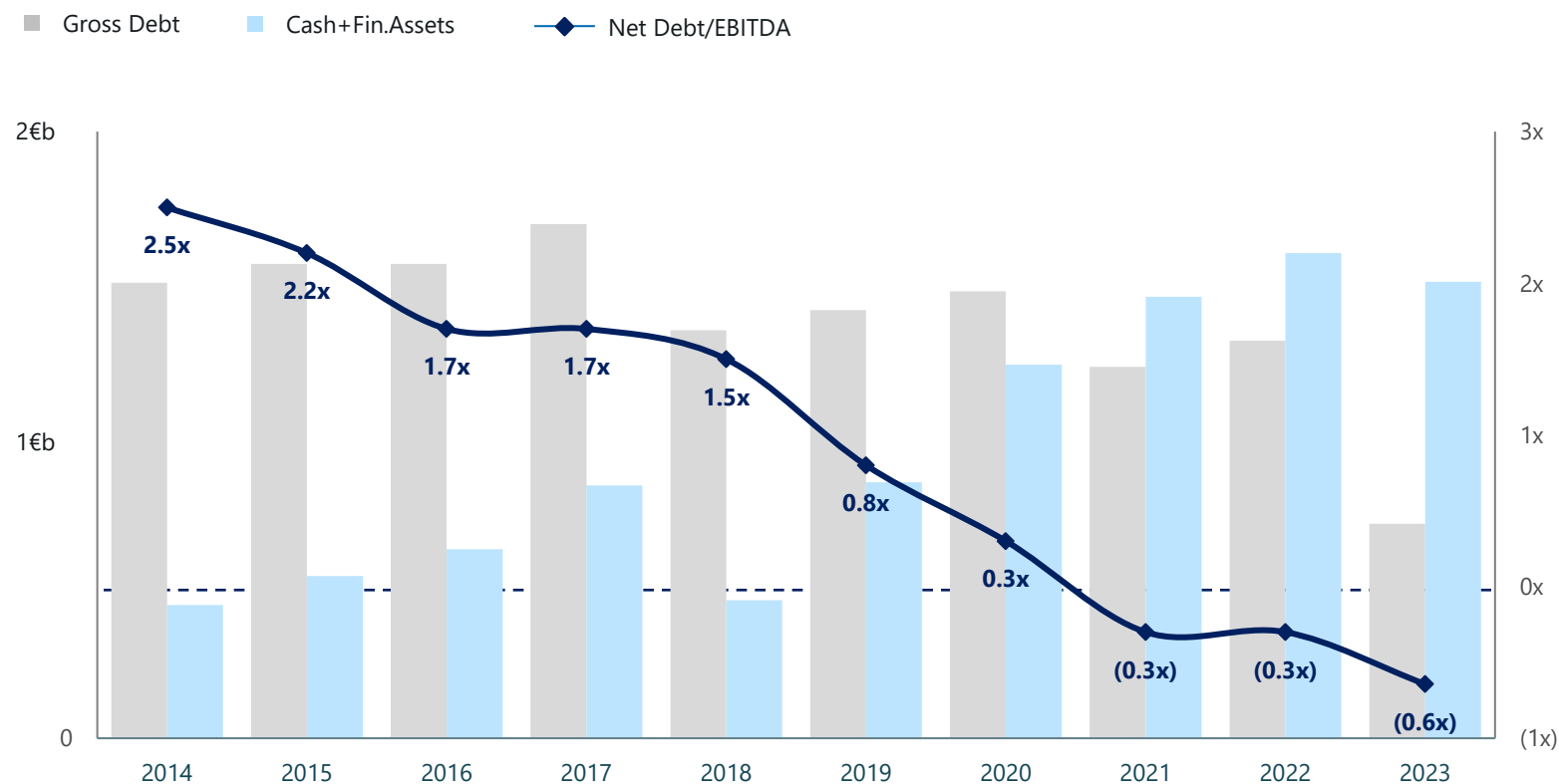
**~2.4 €billion**  
Cumulative investments in industrial assets over the period

**~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

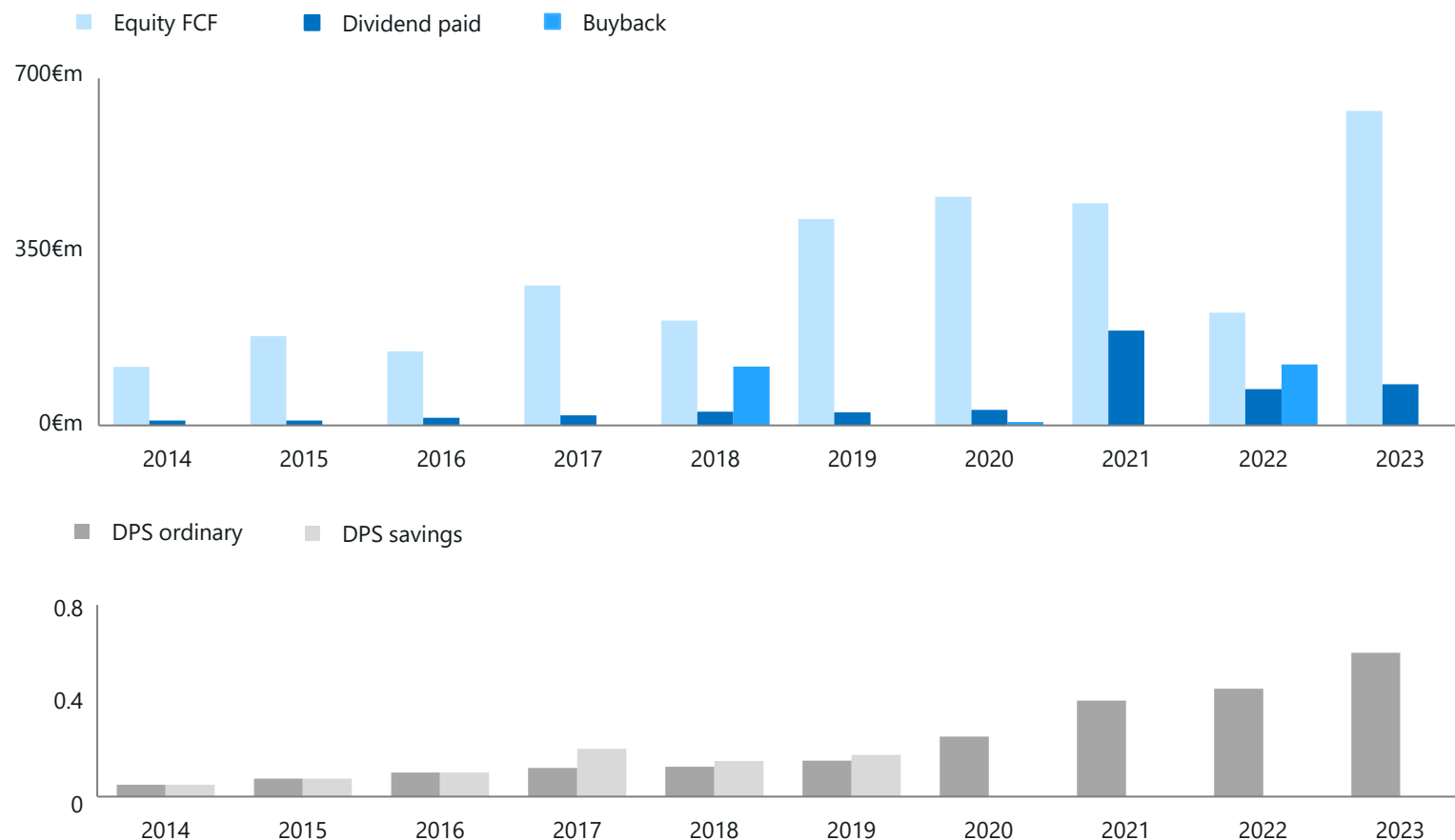
## Net Cash position

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 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.

# Q1 2024 OVERVIEW

# Q1 2024 IN BRIEF



Negative development of Q1 volumes, in line with the generalized demand slowdown and further penalized by rainfall during the period and fewer working days



Strengthening of prices at the beginning of the year in almost all countries where we operate



Net Sales at 894.4 €m (-6.4%, -4.5% lfl), driven by the negative volume dynamic. Unfavorable fx variance of 18.3€m due to currency depreciation in USA and Russia



Net Cash Position of 790.5 €m, stable at the FY23 level (798.0€m).

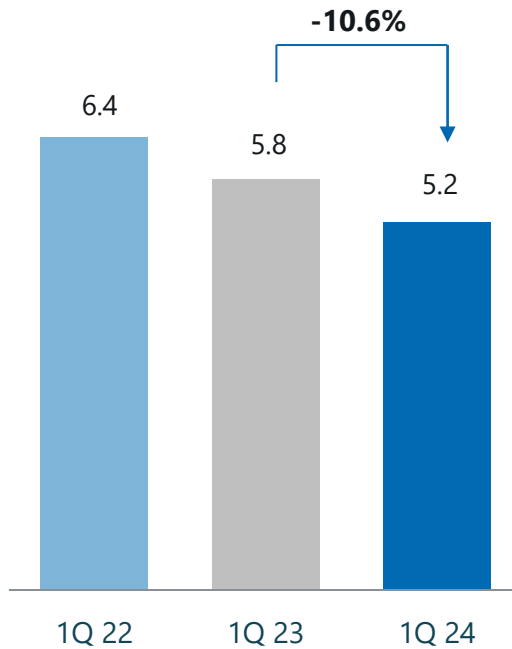


Guidance 2024: current fiscal year may close with recurring operating results akin to the highly satisfying achievements of 2023

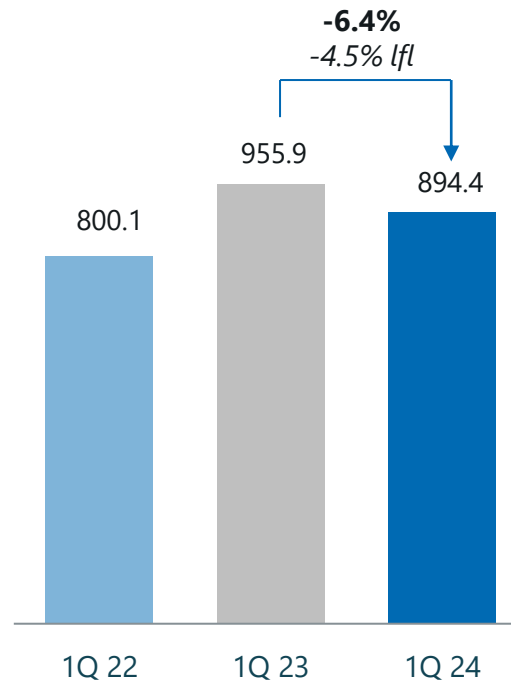


# Q1 2024 KEY FIGURES

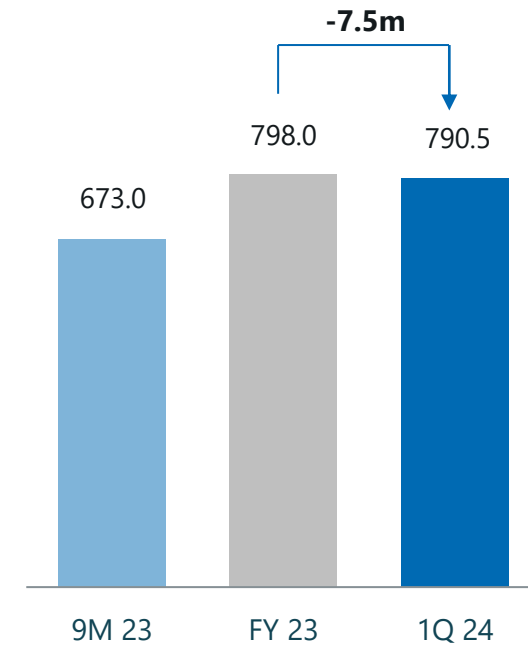
## Cement volumes (mton)



## Net Sales (€m)



## NFP (€m)



# NET SALES BY COUNTRY

	Q1 24	Q1 23	Δ	Δ	Forex	Δ I-f-I
EURm			abs	%	abs	%
Italy	190.9	203.7	(12.9)	-6.3	-	-6.3
United States	367.2	375.0	(7.8)	-2.1	(4.4)	-0.9
Germany	170.3	195.1	(24.9)	-12.7	-	-12.7
Lux / Netherlands	41.1	53.9	(12.8)	-23.7	-	-23.7
Czech Rep / Slovakia	36.3	40.6	(4.3)	-10.6	(1.9)	-5.9
Poland	28.2	33.2	(4.9)	-14.9	2.2	-21.7
Ukraine	16.7	9.7	7.0	+72.6	(0.9)	+82.3
Russia	52.1	60.1	(8.0)	-13.3	(13.3)	+8.9
<i>Eliminations</i>	<i>(8.5)</i>	<i>(15.4)</i>	<i>6.9</i>			
<b>Total</b>	<b>894.4</b>	<b>955.9</b>	<b>(61.5)</b>	<b>-6.4</b>	<b>(18.3)</b>	<b>-4.5</b>
Mexico (100%)	267.7	242.0	25.7	+10.6	21.3	+1.8
Brazil (100%)	90.3	92.5	(2.3)	-2.5	3.2	-5.9

# OUR JOURNEY TO NET ZERO

# OUR JOURNEY TO NET ZERO

## TRACK RECORD IN CO<sub>2</sub> EMISSIONS REDUCTION AND AMBITIOUS TARGETS

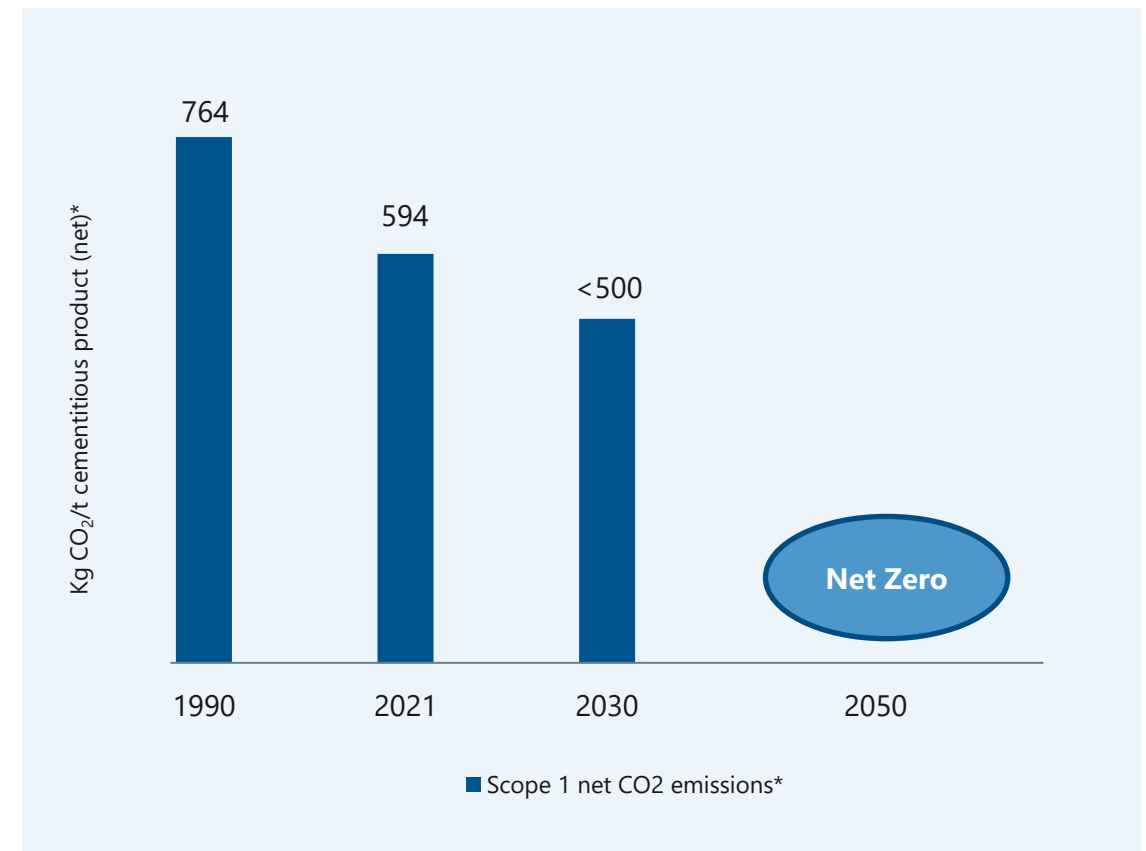
Proven track record in CO<sub>2</sub> emissions reduction.  
Already reduced by ~20% CO<sub>2</sub> emissions in 2021 vs 1990.

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

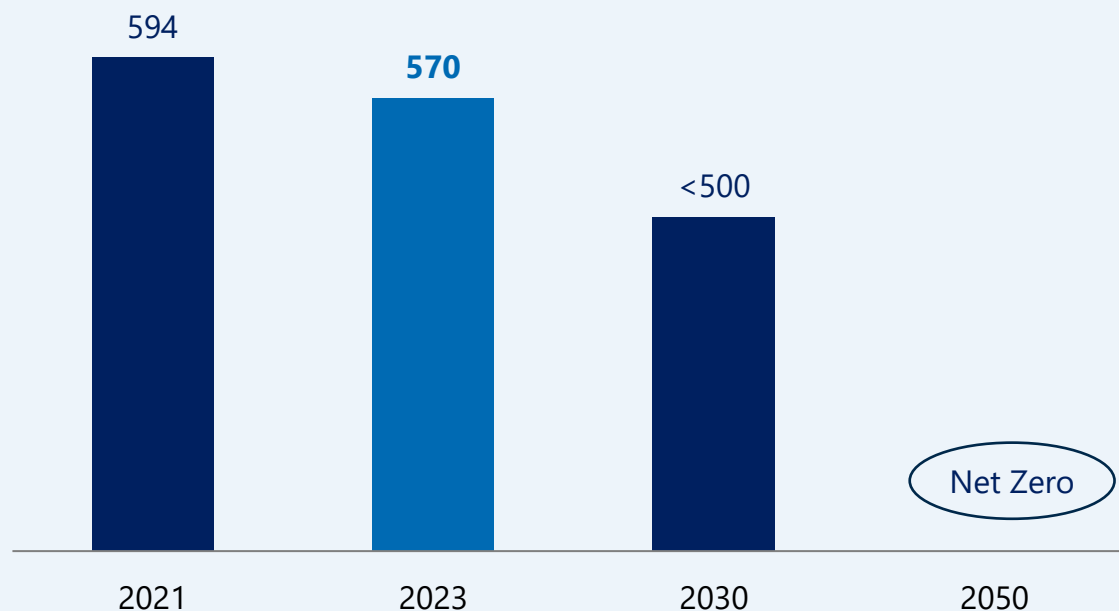


\*Scope including Brazil, excluding Russia

# 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.



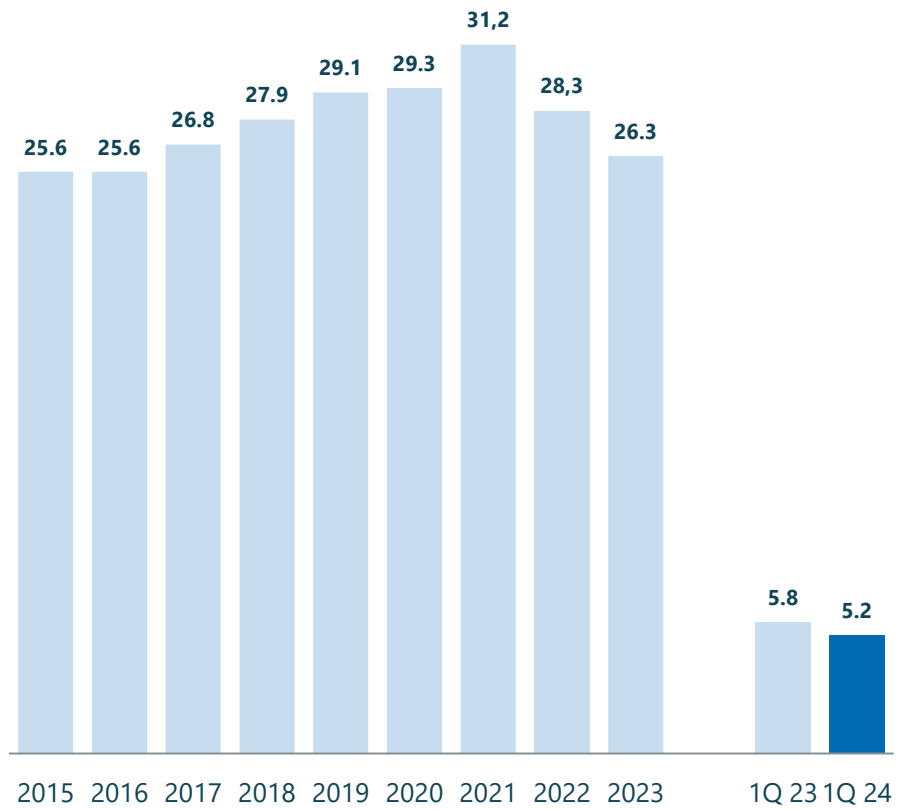
In this way, the company has furthered its commitment to environmental transparency by disclosing its ecological footprint.



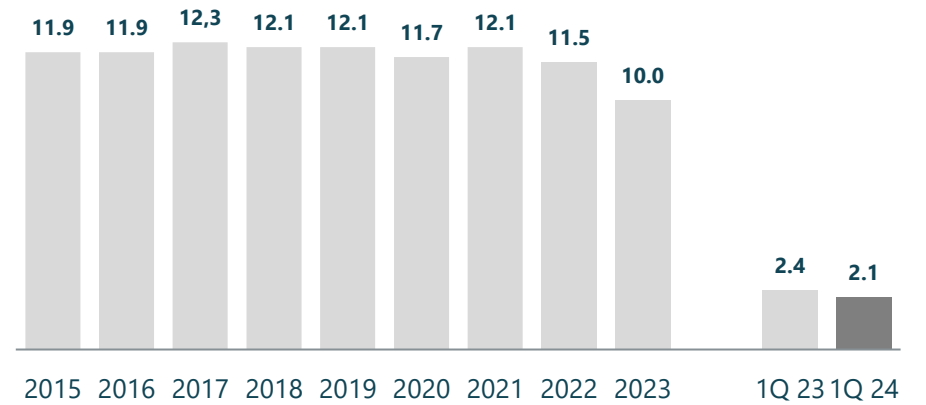
# APPENDIX

# VOLUMES

**Cement (mt)**



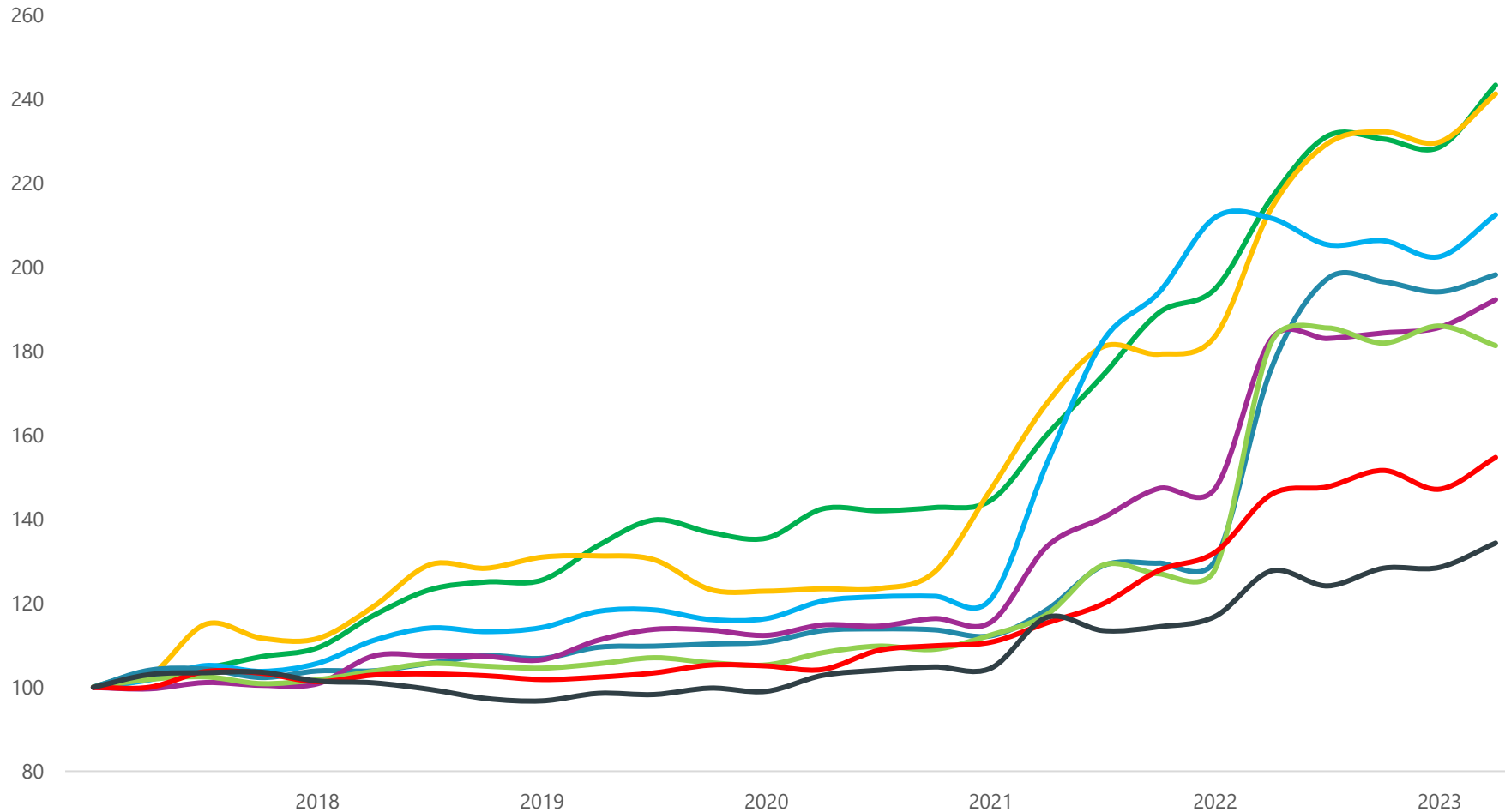
**Ready-mix concrete (mm<sup>3</sup>)**





# PRICE INDEX BY COUNTRY

FY 2017=100

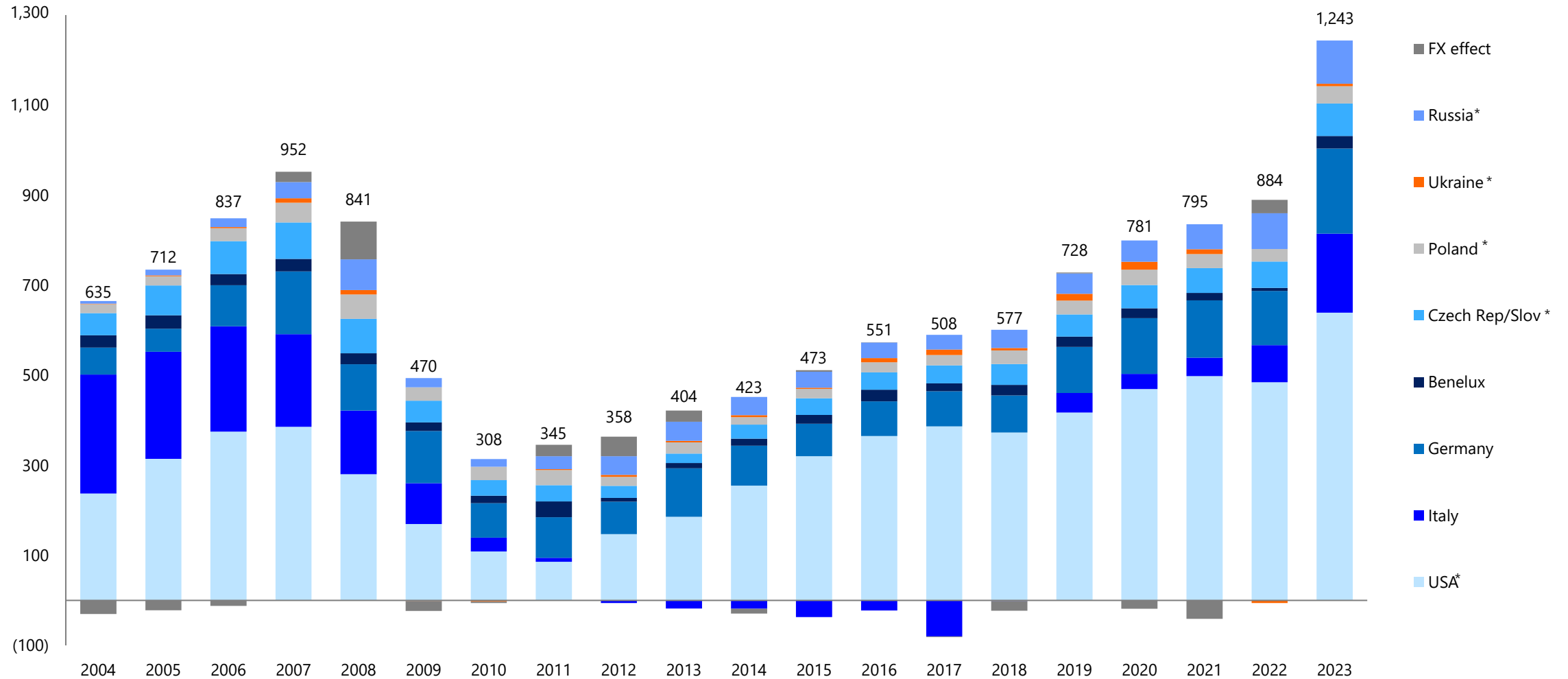


**Q1 24**

<span style="color: green;">—</span> Poland	243
<span style="color: orange;">—</span> Ukraine	241
<span style="color: blue;">—</span> Italy	213
<span style="color: teal;">—</span> Germany	199
<span style="color: purple;">—</span> Czech Republic	192
<span style="color: lightgreen;">—</span> Luxembourg	181
<span style="color: red;">—</span> USA	155
<span style="color: black;">—</span> Mexico	134



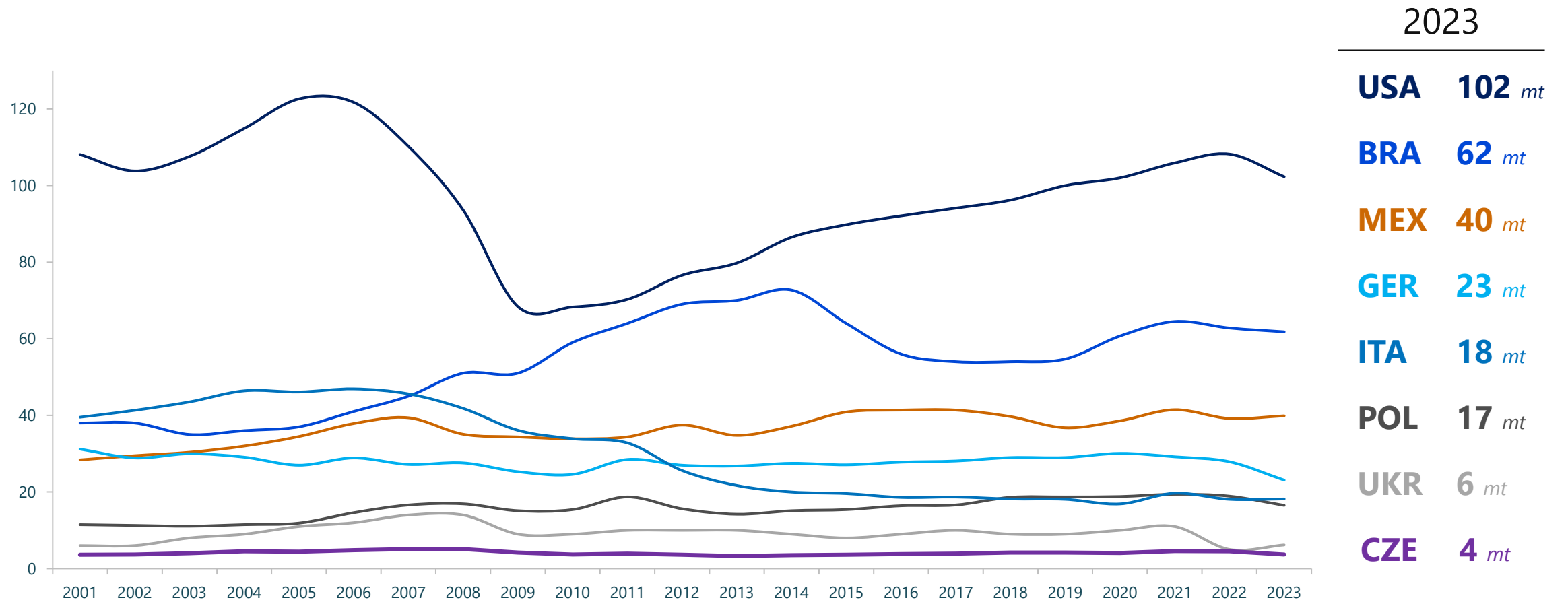
# LONG TERM EBITDA EVOLUTION BY REGION



\*At constant 2023 Forex

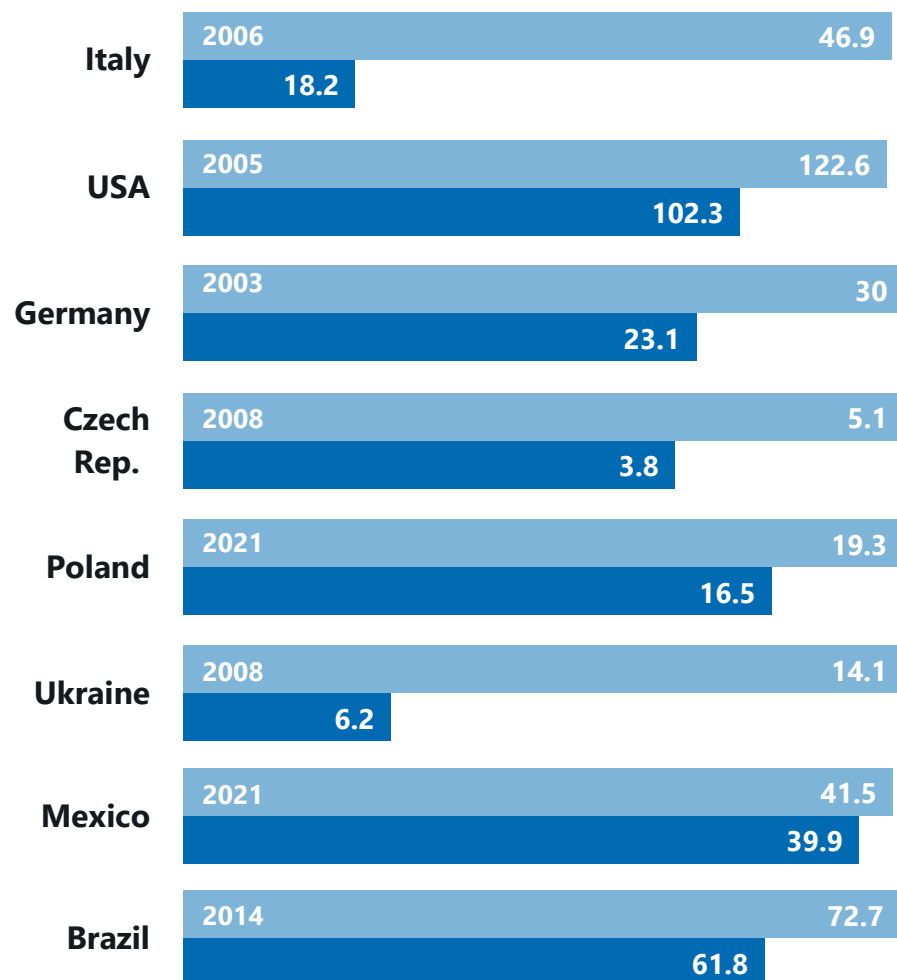


# HISTORICAL CEMENT CONSUMPTION BY COUNTRY

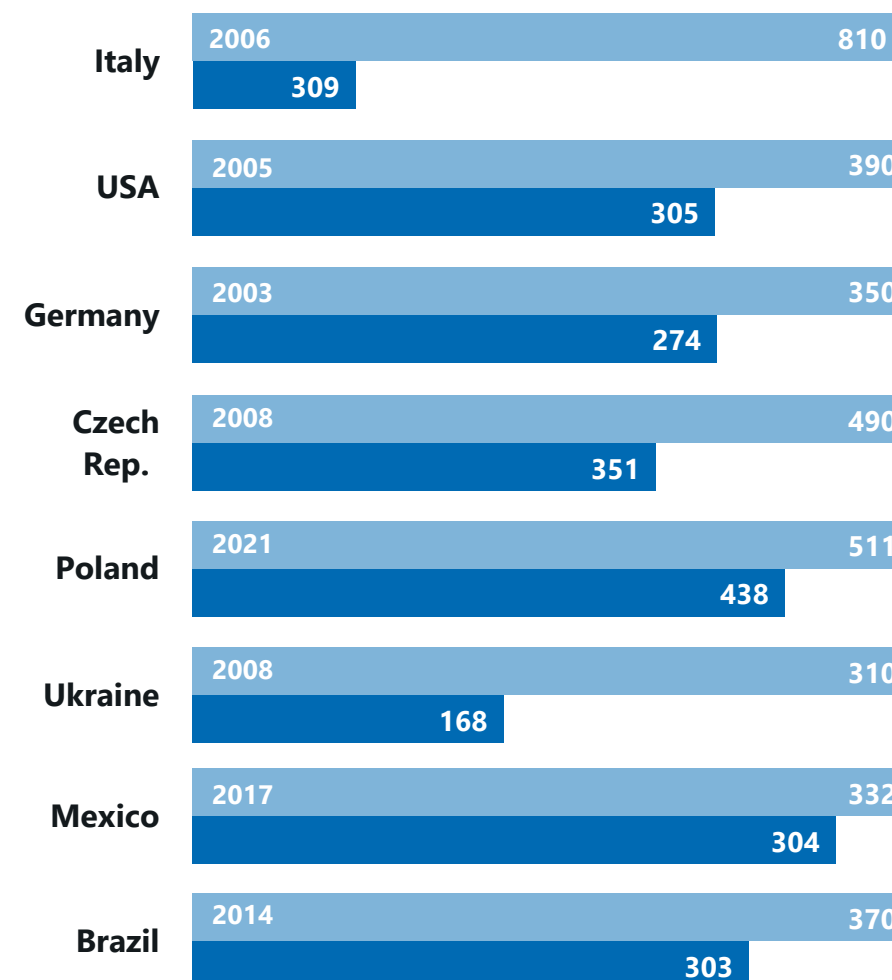


# 2023 CEMENT CONSUMPTION VS PEAK

## 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.