



MEDIOBANCA  
SECURITIES

## Italian CEOs Conference

Milan – 26 June 2018

# Executive summary Q1 2018

## ▪ Volumes

- Quarter impacted by adverse weather, particularly in the USA, and less working days (2017 Holy Week in April): cement down 1.6% (-6.8% on lfl basis) and ready-mix concrete down 6.3% (-8.1% lfl):
- Italy: cement well ahead of 2017 thanks to Zillo contribution; ready-mix down
- United States: cement and ready mix volumes down
- Central Europe: cement volumes decline in Germany and Luxembourg; ready mix concrete unfavorable in Germany but well ahead in Lux/Ned
- Eastern Europe: almost flat, with progress realized in the Czech Republic and Russia nearly offsetting the decrease in Poland and Ukraine; good start to the year for ready mix concrete particularly in the Czech Republic and Ukraine

## ▪ Prices

- Q1 vs Q1: modest unfavorable variance in the Czech Republic and strengthening in all other markets
- Q1 18 above Q4 17 in all markets except a marginal weakness in the USA

## ▪ Foreign Exchange

- Negative impact on sales (€m 36.3) mainly due to weaker dollar

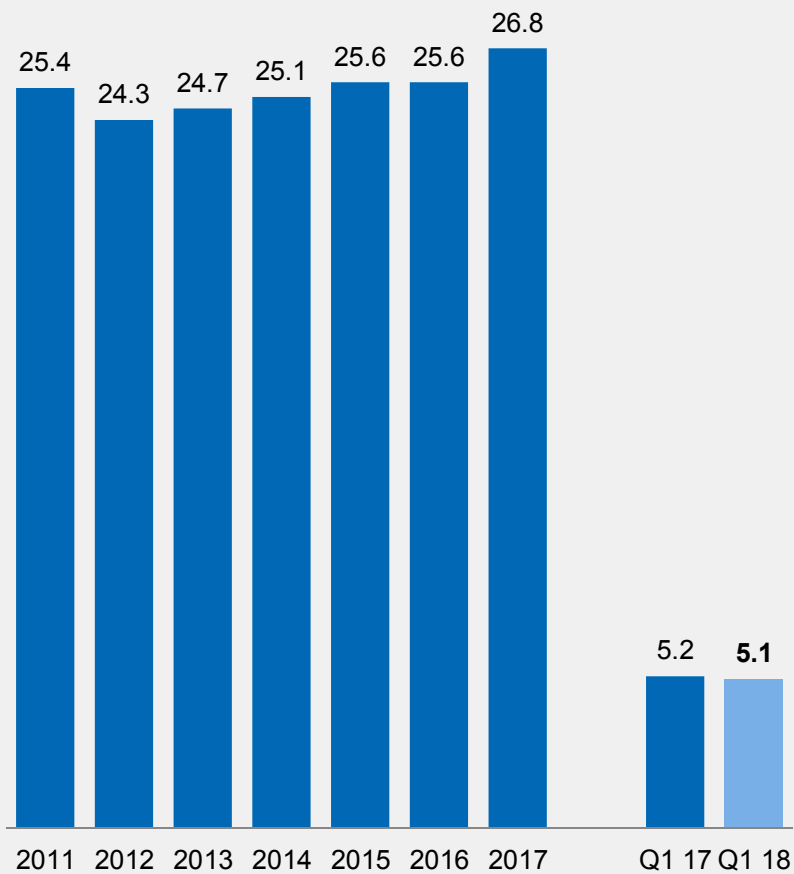
## ▪ Results

- Net sales at €m 539 (€m 588 in 2017), -5.2% like-for-like
- Net debt at €m 896 versus €m 863 at year end 2017
- Outlook confirmed for financial year 2018

# Volumes Q1 2018

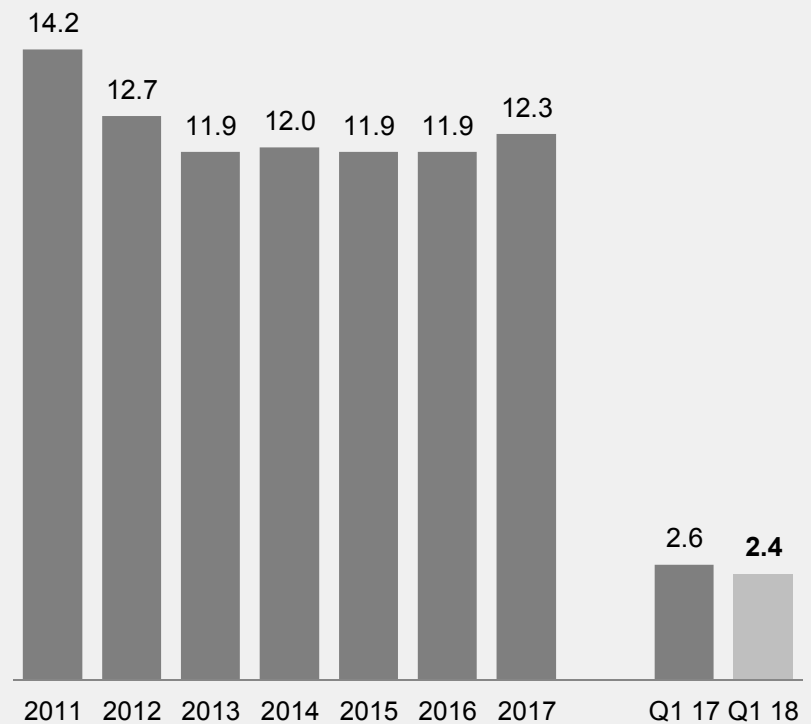
## Cement

(m ton)

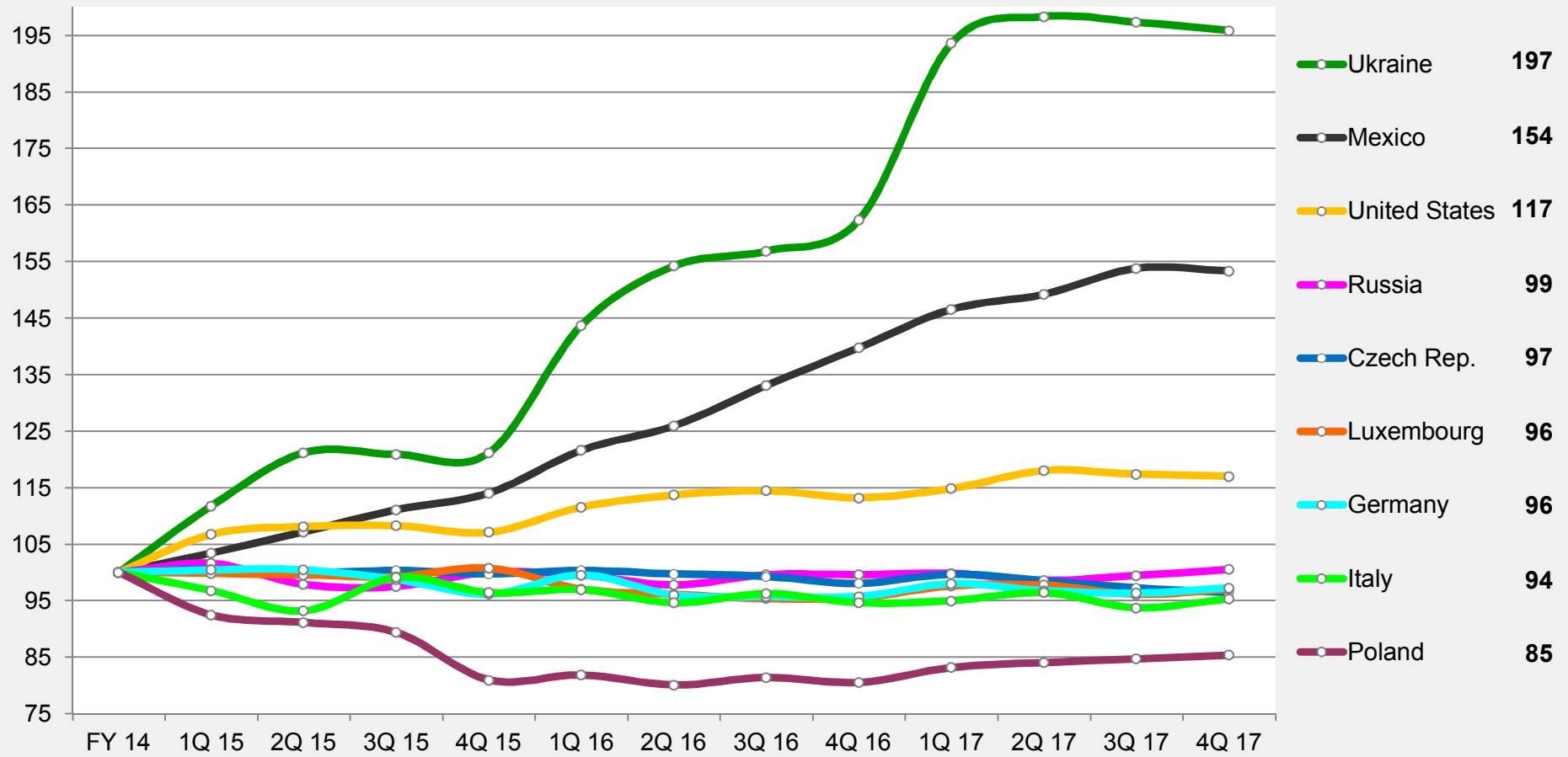


## Ready-mix concrete

(m m3)








# Price trends by country

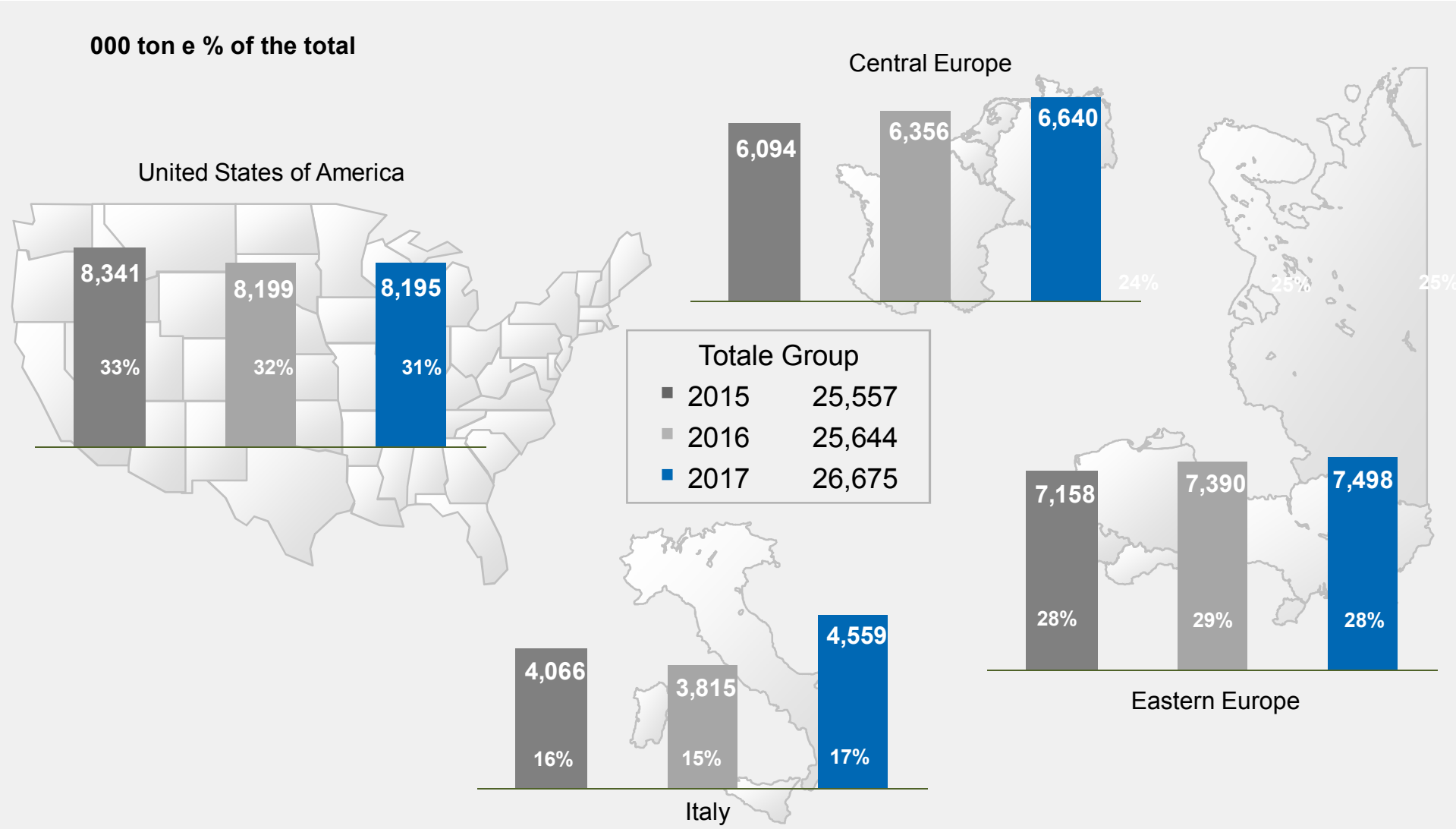


In local currency; FY14 = 100










## FX changes

		Q1 18	Q1 17	Δ	2017	current
EUR 1 =		avg	avg	%	avg	
	USD	1.23	1.07	-15.4	1.13	1.16
	RUB	69.93	62.52	-11.8	65.94	73.50
	UAH	33.56	28.84	-16.4	30.02	30.56
	CZK	25.40	27.02	+6.0	26.32	25.80
	PLN	4.18	4.32	+3.3	4.26	4.31
	MXN	23.04	21.62	-6.6	21.33	23.80










# Cement volumes by geographical area



## Net sales by country

	Q1 18	Q1 17	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	103.0	95.1	8.0	+8.4	-	17.5	-10.1
 United States	208.6	256.8	(48.2)	-18.8	(32.2)	-	-6.2
 Germany	110.3	120.2	(10.0)	-8.3	-	-	-8.3
 Lux/Netherlands	39.0	39.1	(0.1)	-0.3	-	-	-0.3
 Czech Rep/Slovakia	26.9	23.5	3.5	+14.8	1.2	-	+9.6
 Poland	16.5	15.9	0.6	+4.0	0.5	-	+0.6
 Ukraine	11.7	13.0	(1.3)	-10.2	(1.9)	-	+4.5
 Russia	32.7	33.9	(1.1)	-3.4	(3.9)	-	+8.1
<i>Eliminations</i>	(9.5)	(8.9)	(0.6)				
<b>Total</b>	<b>539.1</b>	<b>588.5</b>	<b>(49.4)</b>	<b>-8.4</b>	<b>(36.3)</b>	<b>17.5</b>	<b>-5.2</b>
 Mexico (100%)	151.1	171.8	(20.7)	-12.1	(9.9)	-	-6.3

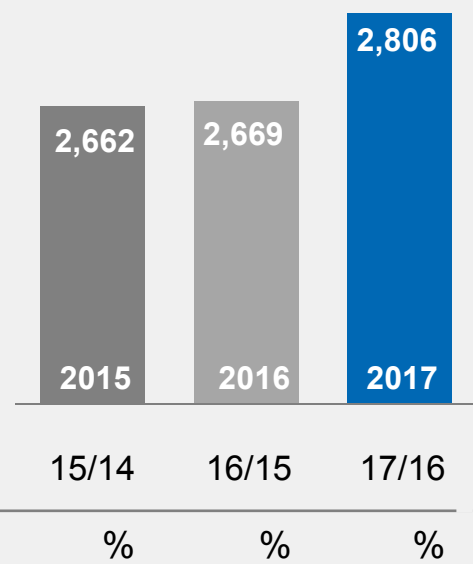
## EBITDA by country

	FY 17	FY 16	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	(79.7)	(22.2)	(57.4)	>100	-	4.6	>100
 USA	369.6	356.5	13.1	+3.7	(7.6)	-	+5.8
 Germany	78.1	76.8	1.3	+1.7	-	-	+1.7
 Lux/Netherlands	17.6	25.8	(8.3)	-32.0	-	-	-32.0
 Czech Rep/Slovakia	36.5	34.3	2.2	+6.4	1.0	-	+3.6
 Poland	24.1	23.4	0.7	+3.0	0.6	-	+0.5
 Ukraine	16.0	12.8	3.2	+24.9	(1.0)	-	+32.6
 Russia	46.0	43.2	2.8	+6.4	5.1	-	-5.4
<b>Total</b>	<b>508.2</b>	<b>550.6</b>	<b>(42.4)</b>	<b>-7.7</b>	<b>(2.0)</b>	<b>4.6</b>	<b>-8.2</b>
recurring	576.4	550.7	25.6	+4.7	(2.0)	4.6	+4.2
 Mexico (100%)	329.3	293.4	35.9	+12.2	(10.5)	-	+15.8



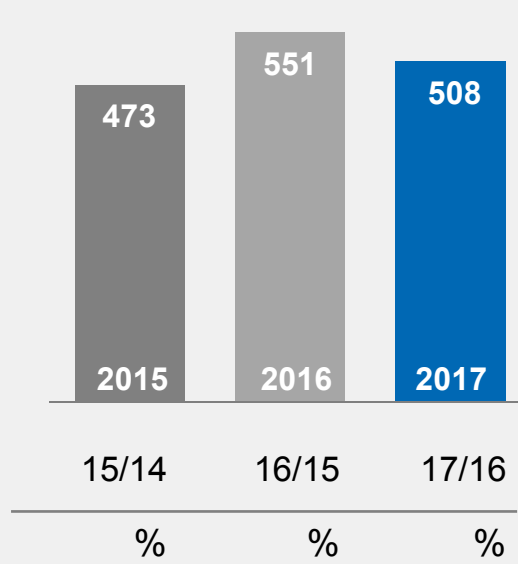
# Key economics indicators

## EURm Net sales



	15/14	16/15	17/16
	%	%	%
<b>Δ YoY</b>	<b>+6.2</b>	<b>+0.3</b>	<b>+5.1</b>
Δ operations	+1.0	+1.7	+3.7
Δ foreign exchange	+4.0	-1.0	-0.2
Δ scope	+1.1	-0.4	+1.6

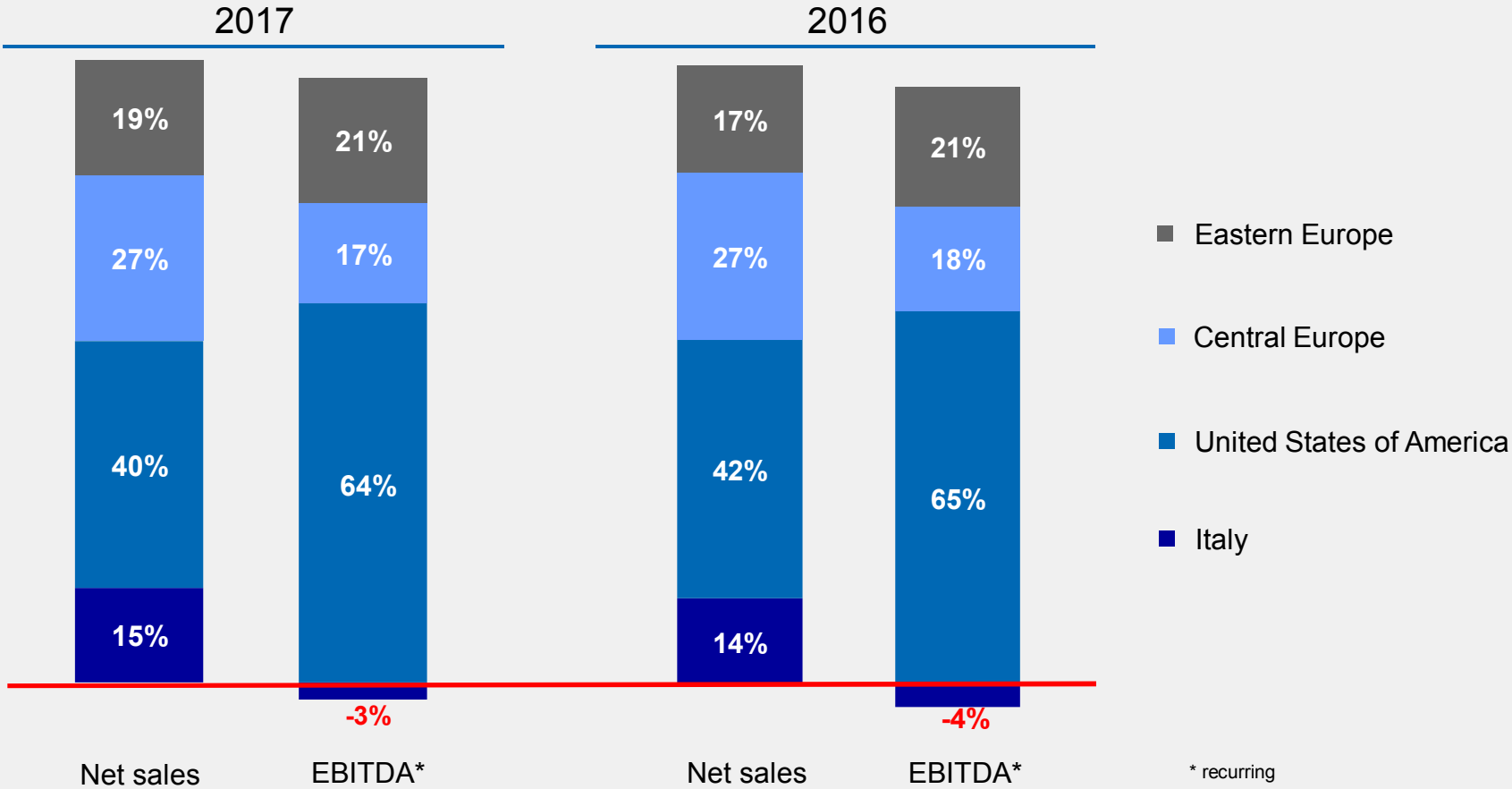
## EURm EBITDA



	15/14	16/15	17/16
	%	%	%
<b>Δ YoY</b>	<b>+11.9</b>	<b>+16.4</b>	<b>-7.7</b>
Δ operations	+3.0	+17.6	-8.2
Δ foreign exchange	+8.2	-1.2	-0.3
Δ scope	+0.9	0.0	+0.8

# Net sales and EBITDA FY 17 development

- Italy improving, thanks to Zillo scope change, but still negative
- USA contribution just under 2/3 of consolidated EBITDA
- Stable at 21% the profitability from Eastern Europe



## Consolidated Income Statement

EURm	FY 17	FY 16	Δ abs	Δ %
<b>Net Sales</b>	<b>2,806.2</b>	<b>2,669.3</b>	<b>136.9</b>	<b>+5.1</b>
<b>EBITDA</b>	<b>508.2</b>	<b>550.6</b>	<b>(42.4)</b>	<b>-7.7</b>
of which, non recurring	68.2	0.1		
% of sales (recurring)	20.5%	20.6%		
Depreciation and amortization	(222.1)	(202.6)	(19.5)	
<b>Operating profit (EBIT)</b>	<b>286.0</b>	<b>348.0</b>	<b>(62.0)</b>	<b>-17.8</b>
% of sales	10.2%	13.0%		
Equity earnings	97.7	80.1	17.6	
Net finance costs	(35.0)	(147.2)	112.1	
<b>Profit before tax</b>	<b>348.7</b>	<b>280.9</b>	<b>67.8</b>	<b>+24.1</b>
Income tax expense	45.9	(132.2)	178.1	
<b>Net profit</b>	<b>394.6</b>	<b>148.7</b>	<b>245.9</b>	<b>+165.4</b>
Minorities	(3.0)	(2.8)		
<b>Consolidated net profit</b>	<b>391.6</b>	<b>145.9</b>	<b>245.8</b>	<b>+168.5</b>

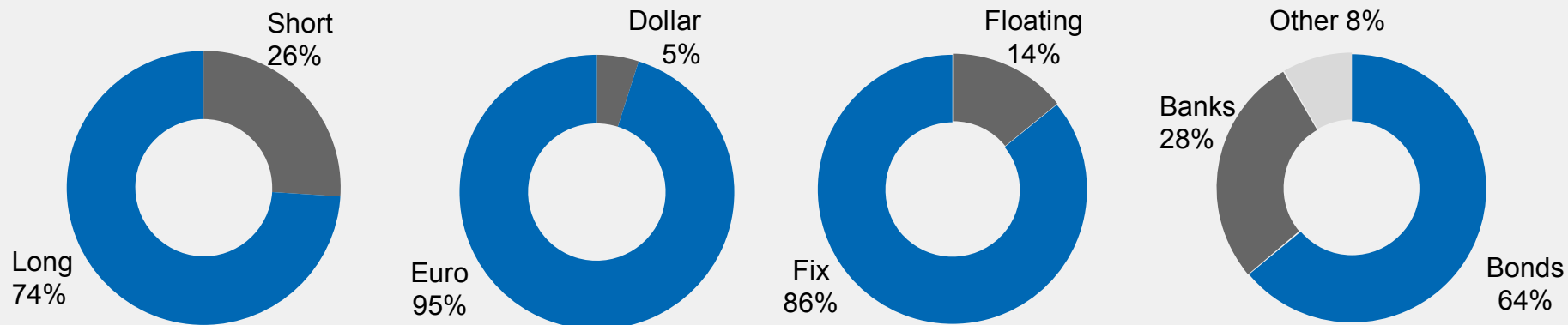
## Consolidated Cash Flow Statement

EURm	FY 17	FY 16
<b>Cash generated from operations</b>	<b>506.6</b>	<b>467.5</b>
% of sales	18.1%	17.5%
Interest paid	(43.9)	(61.5)
Income tax paid	(91.9)	(101.8)
<b>Net cash by operating activities</b>	<b>370.8</b>	<b>304.1</b>
% of sales	13.2%	11.4%
Capital expenditures	(183.7)	(236.0)
Equity investments	(33.9)	(0.4)
Dividends paid	(22.0)	(16.3)
Dividends from associates	85.3	67.0
Disposal of fixed assets and investments	12.5	21.5
Translation differences and derivatives	(40.2)	(59.9)
Accrued interest payable	(1.4)	(3.8)
Interest received	9.7	14.6
Contingent liabilities	(61.5)	-
Change in consolidation area and other	(56.4)	(2.7)
<b>Change in net debt</b>	<b>79.1</b>	<b>88.2</b>
<b>Net financial position (end of period)</b>	<b>(862.5)</b>	<b>(941.6)</b>

# Net Financial Position

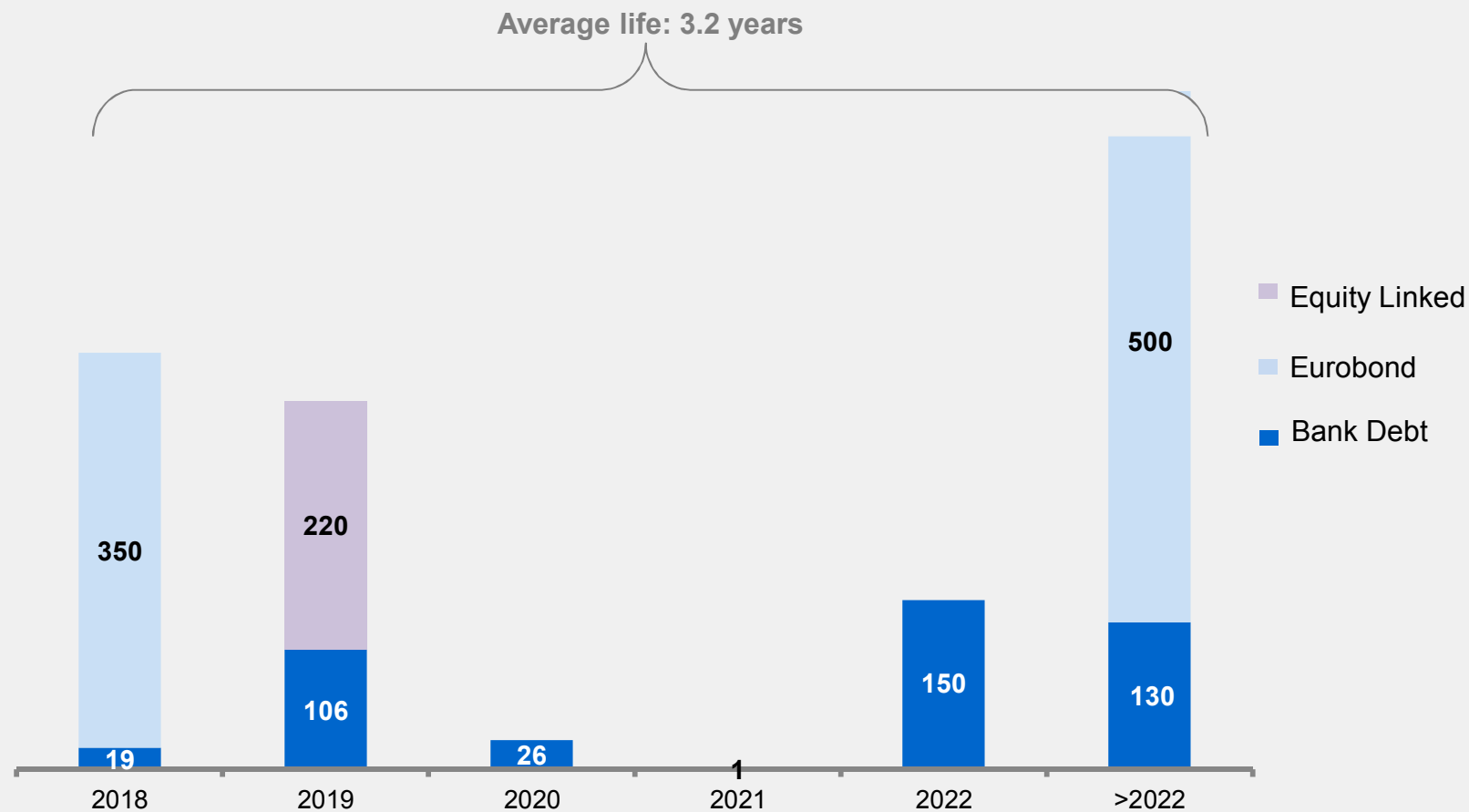
	Mar 18	Dec 17	Δ	Mar 17
<b>EURm</b>				
			abs	
Cash and other financial assets	752.3	829.8	(77.5)	605.2
Short-term debt	(429.4)	(424.6)	(4.8)	(64.8)
<b>Net short-term cash</b>	<b>322.9</b>	<b>405.2</b>	<b>(82.3)</b>	<b>540.4</b>
Long-term financial assets	3.1	3.2	(0.1)	13.0
Long-term debt	(1,222.3)	(1,270.9)	48.6	(1,533.3)
<b>Net debt</b>	<b>(896.2)</b>	<b>(862.5)</b>	<b>(33.8)</b>	<b>(979.9)</b>

Gross debt breakdown (€m 1,651.7)












# Debt maturity profile

- Total nominal value of debt and borrowings stood at €m 1,502 at March 2018
- As at March 2018 available €m 325m of undrawn committed facilities (€m 300m for Buzzi Unicem, €m 25 for Dyckerhoff)



# Expected trading in 2018

	Δ Volume	Δ Price
 Italy	+	+
 United States of America	+	+
 Germany	+	+
 Luxembourg	-	+
 Czech Republic	+	+
 Poland	+	+
 Ukraine	=	+
 Russia	+	+
 Mexico	=	+

Note: Prices in local currency

# Appendix

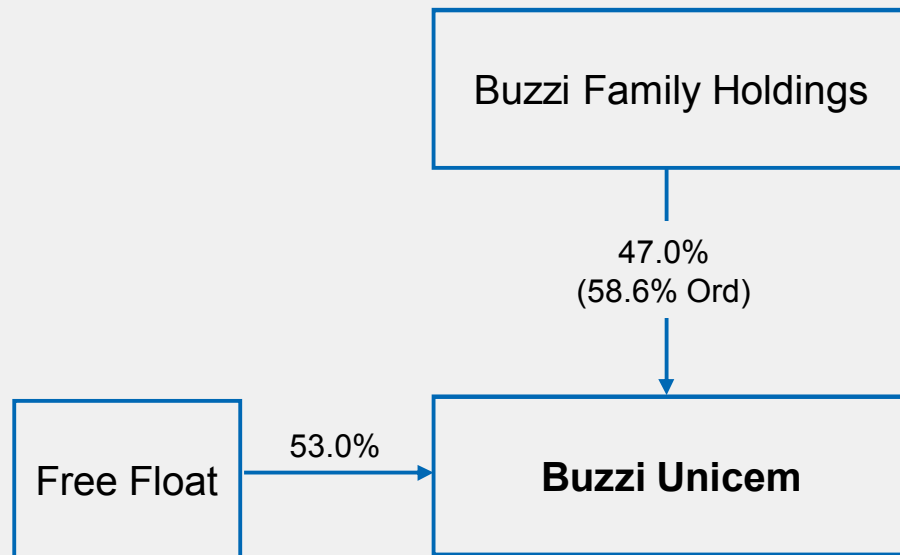


## Buzzi Unicem at a Glance

- International multi-regional, “heavy-side” group, focused on cement, ready-mix and aggregates
- Dedicated management with a long-term vision of the business
- Highly efficient, low cost producer with strong and stable cash flows
- Successful geographic diversification with leading positions in attractive markets
  - Italy (# 2 cement producer), US (# 4 cement producer), Germany (# 2 cement producer), joint venture in Mexico (# 4 cement producer)
  - Significant positions in Luxembourg, The Netherlands, Poland, Czech Republic, Slovakia, Russia and Ukraine, as well as entry point in Slovenia and Algeria
- High quality and environmentally friendly assets
- Leading product and service offering
- Conservative financial profile and balanced growth strategy

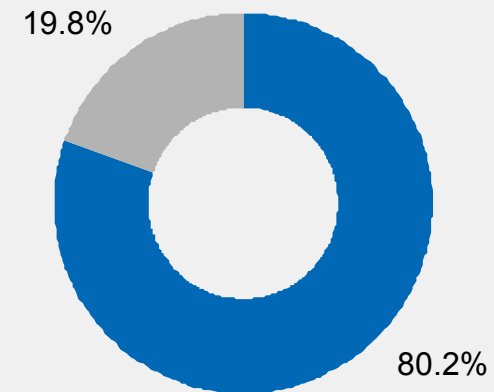
***“Value creation through lasting, experienced know-how and operating efficiency”***

# Ownership structure



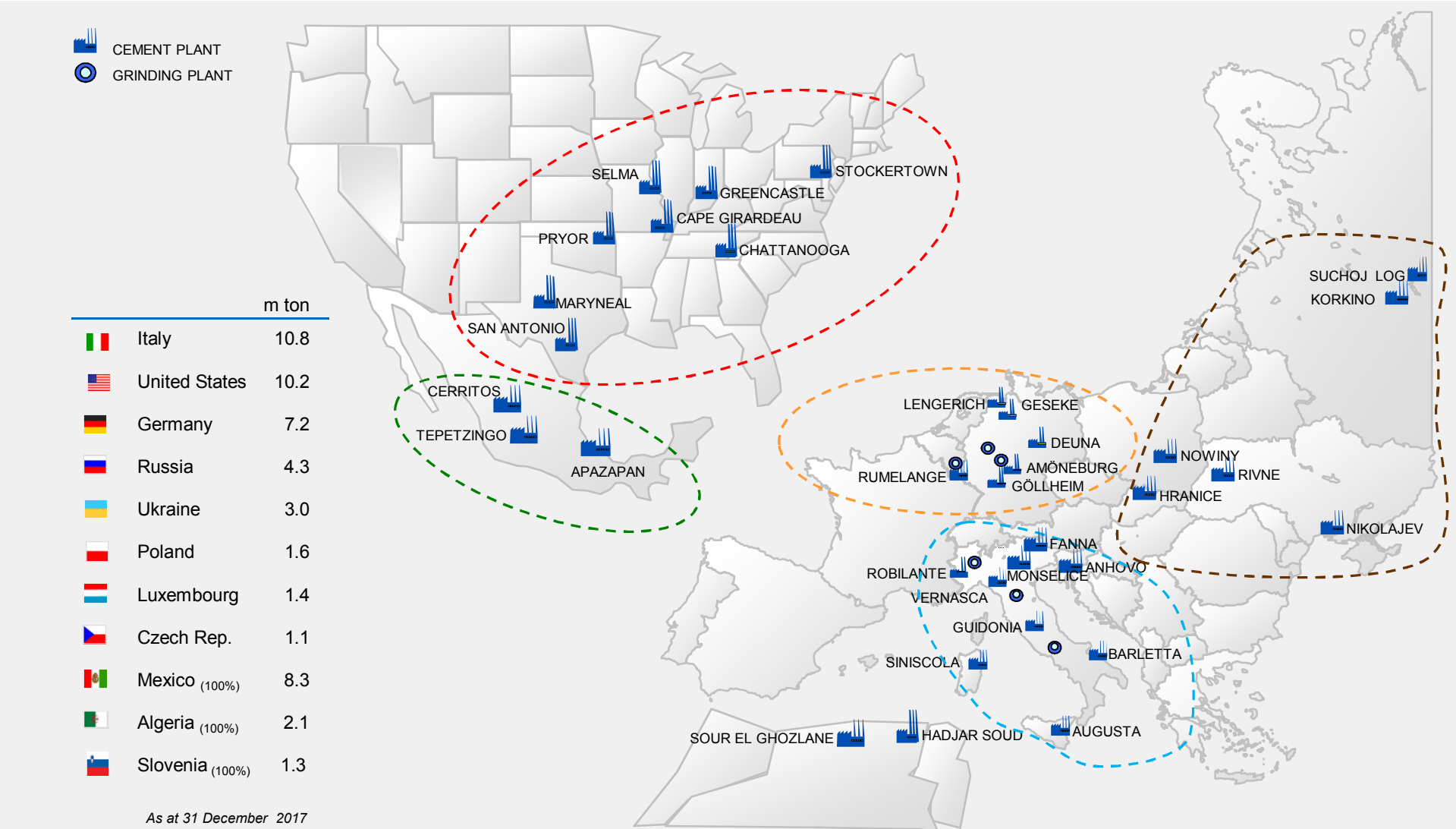
Share capital

■ Ordinary	165,349,149
■ Savings	40,711,949
Total shares	206,061,098

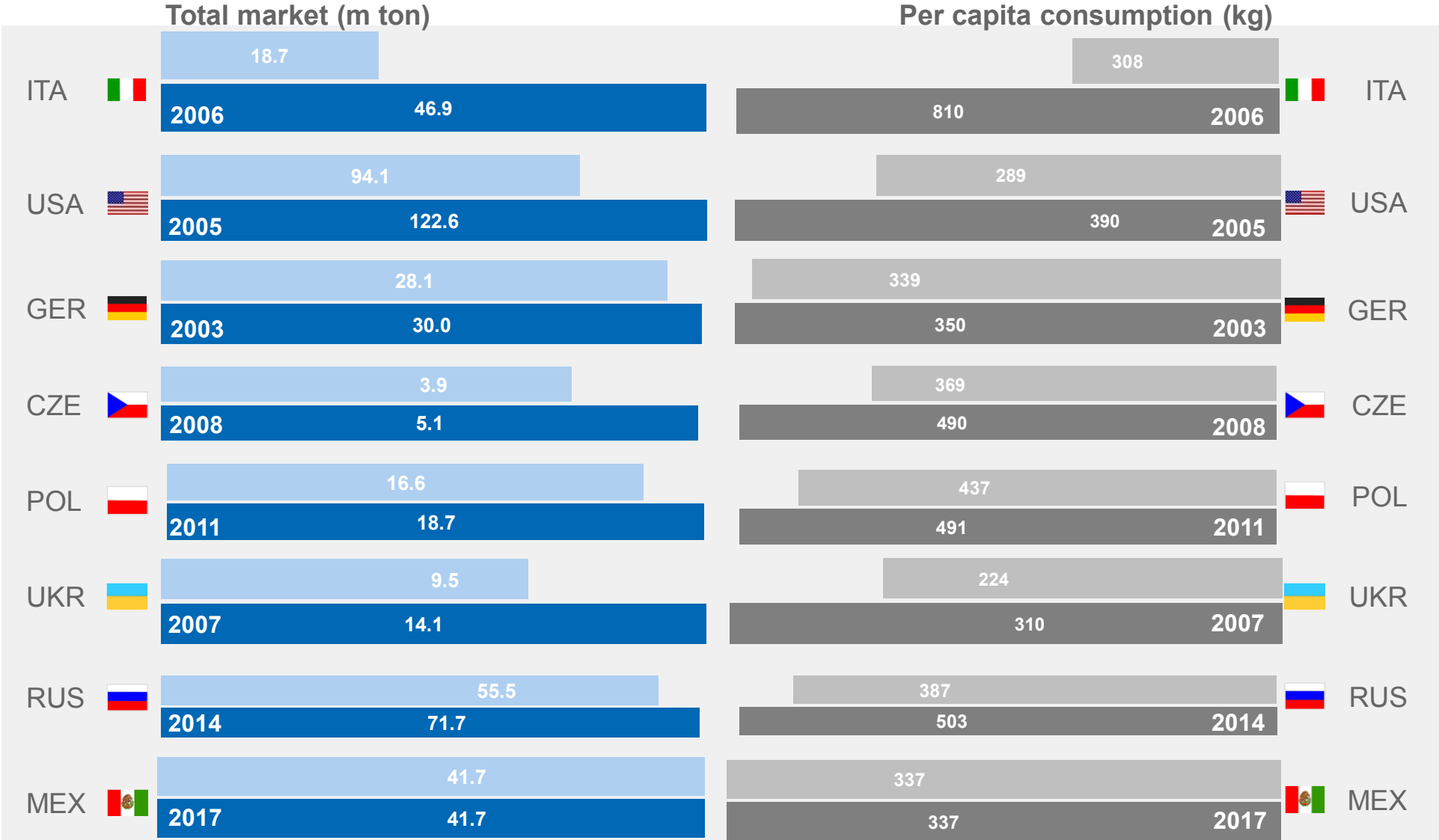


As at 31 December 2017

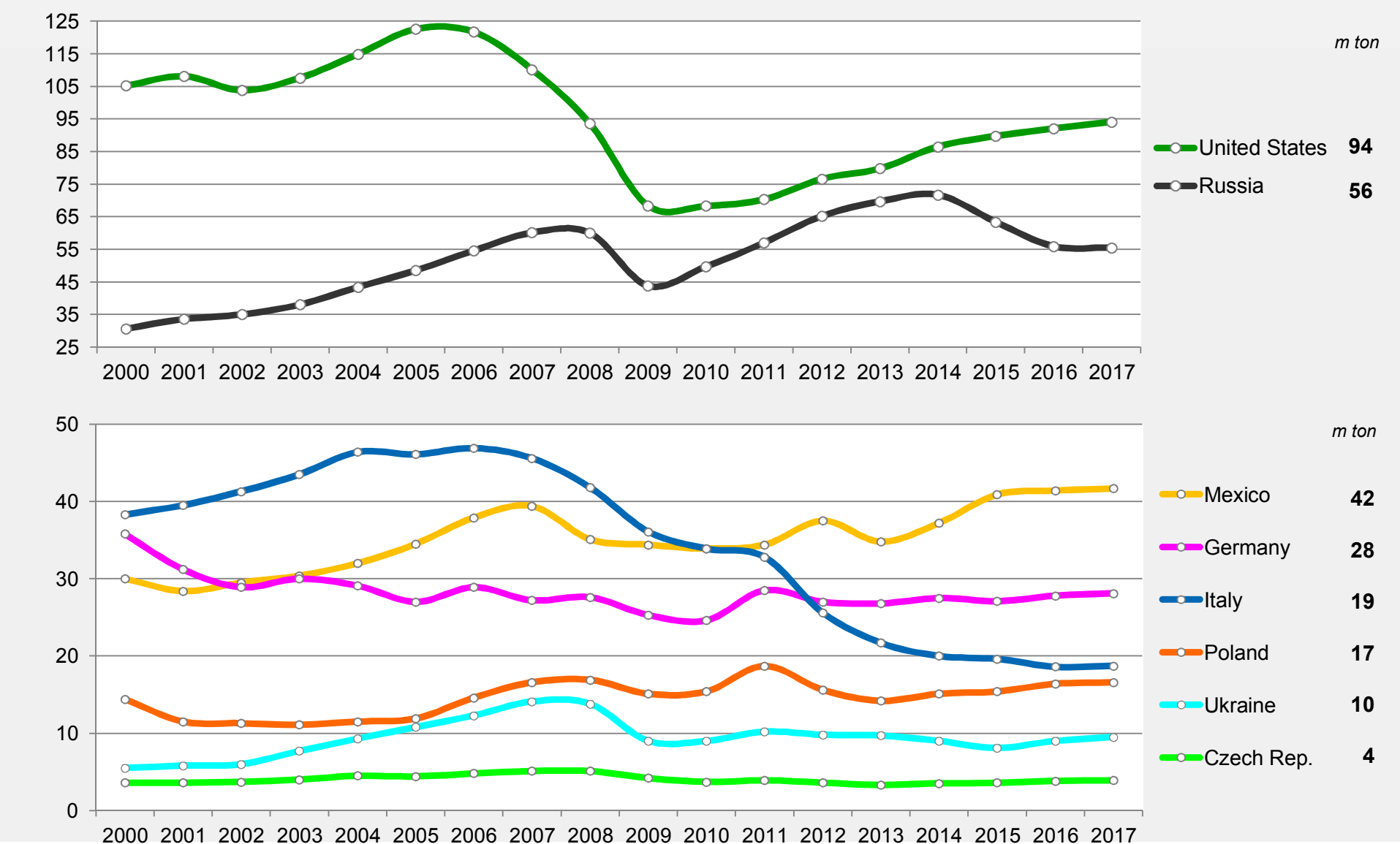
# Cement plants location and capacity












# 2017 Consumption vs. Peak



# Historical series of cement consumption by country



## Historical EBITDA development by country

EURm		2010	2011	2012	2013	2014	2015	2016	2017
 Italy	EBITDA	32.5	10.3	-5.9	-18.1	-18.7	-37.2	-22.2	-79.7
	margin	5.3%	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%	-18.6%
 Germany	EBITDA	76.3	90.3	72.2	108.1	88.6	72.1	76.8	78.1
	margin	13.9%	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%	13.3%
 Lux/ Netherlands	EBITDA	17.0	35.0	8.3	11.5	15.6	19.7	25.8	17.6
	margin	8.3%	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%	9.4%
 Czech Rep/ Slovakia	EBITDA	32.8	35.2	25.4	19.2	27.0	32.6	34.3	36.5
	margin	20.5%	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%	24.7%
 Poland	EBITDA	33.4	36.9	21.8	27.1	18.2	22.7	23.4	24.1
	margin	25.8%	26.6%	20.0%	26.8%	20.4%	20.4%	24.6%	24.9%
 Ukraine	EBITDA	-10.5	6.9	15.8	12.3	11.0	4.0	12.8	16.0
	margin	-12.8%	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%	16.9%
 Russia	EBITDA	39.7	65.7	96.1	92.6	73.4	48.4	43.2	46.0
	margin	32.0%	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%	24.9%
 USA	EBITDA	88.7	71.4	123.9	151.0	207.3	311.7	356.5	369.6
	margin	14.8%	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%	33.0%
 Mexico	EBITDA	77.2	82.6	97.5	77.5	Adoption of IFRS 11			
	margin	36.2%	34.7%	36.2%	33.2%				
<b>Consolidated</b>	<b>EBITDA</b>	<b>387.0</b>	<b>434.3</b>	<b>455.1</b>	<b>481.2</b>	<b>422.7</b>	<b>473.2</b>	<b>550.6</b>	<b>508.2</b>
	<b>margin</b>	<b>14.6%</b>	<b>15.6%</b>	<b>16.2%</b>	<b>17.5%</b>	<b>16.9%</b>	<b>17.8%</b>	<b>20.6%</b>	<b>18.1%</b>