



MEDIOBANCA
SECURITIES

Italian CEOs Conference

24 June 2020



Executive Summary Q1 2020

VOLUMES

Positive trend in Jan and Feb. particularly in USA, Italy and Czech Republic, able to offset the outbreak of Covid-19 pandemic from Mar on. For Q1 as a whole, cement volumes were stable (+0.4%) at 6.0 mton

Ready Mix concrete volumes down (-3.5%) at 2.5 mton

PRICES

Favorable variance across the board in local currencies, particularly in Poland and Ukraine

FOREIGN EXCHANGE

Almost €m 11 advantage on Net sales from stronger dollar and hryvna

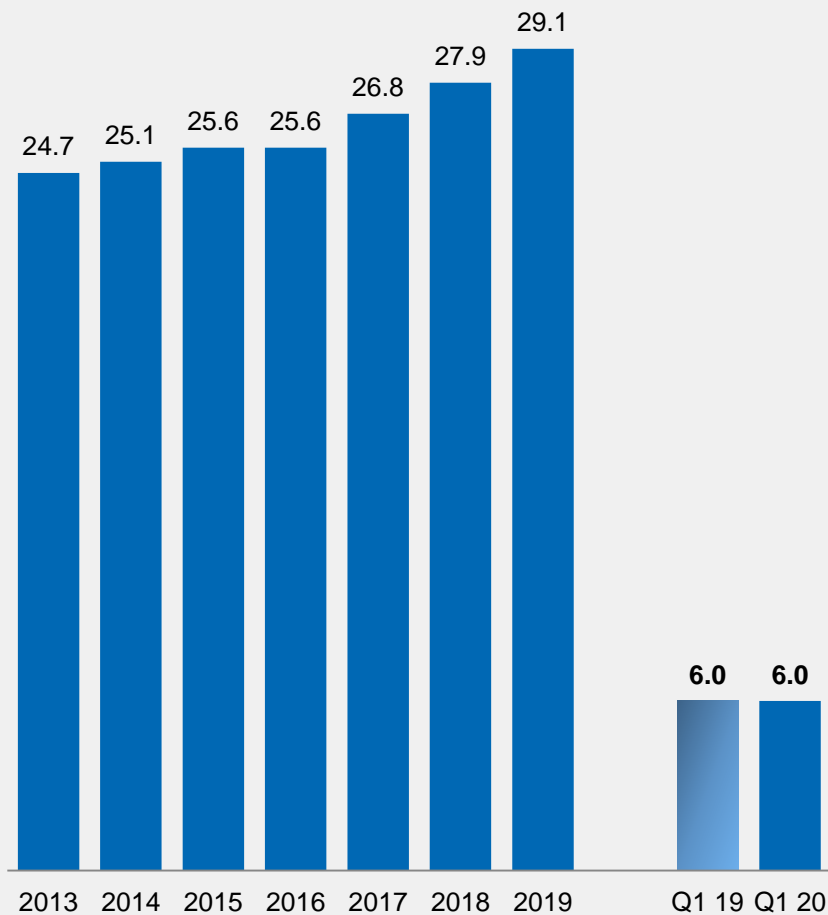
FINANCIALS

Net sales at €m 688 (€m 656 in 2018), +4.9% (+2.5% lfl), driven by USA (+8.3%), Eastern Europe (+6.1%) and Central Europe (+6.0%), despite the slowdown in Italy (-4.1%)

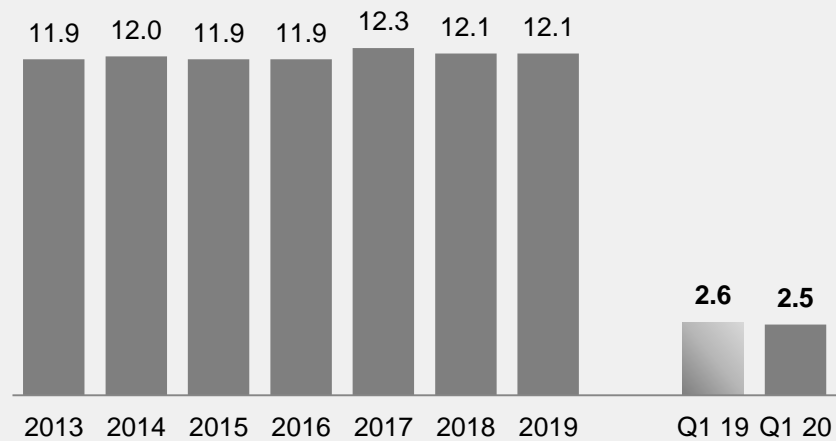
Net Debt at €m 525 versus €m 568 at year end 2019. It includes the cash-in from the disposal of Kosmos Cement Company assets (dividend equal to \$m 162)

Volumes Q1 2020

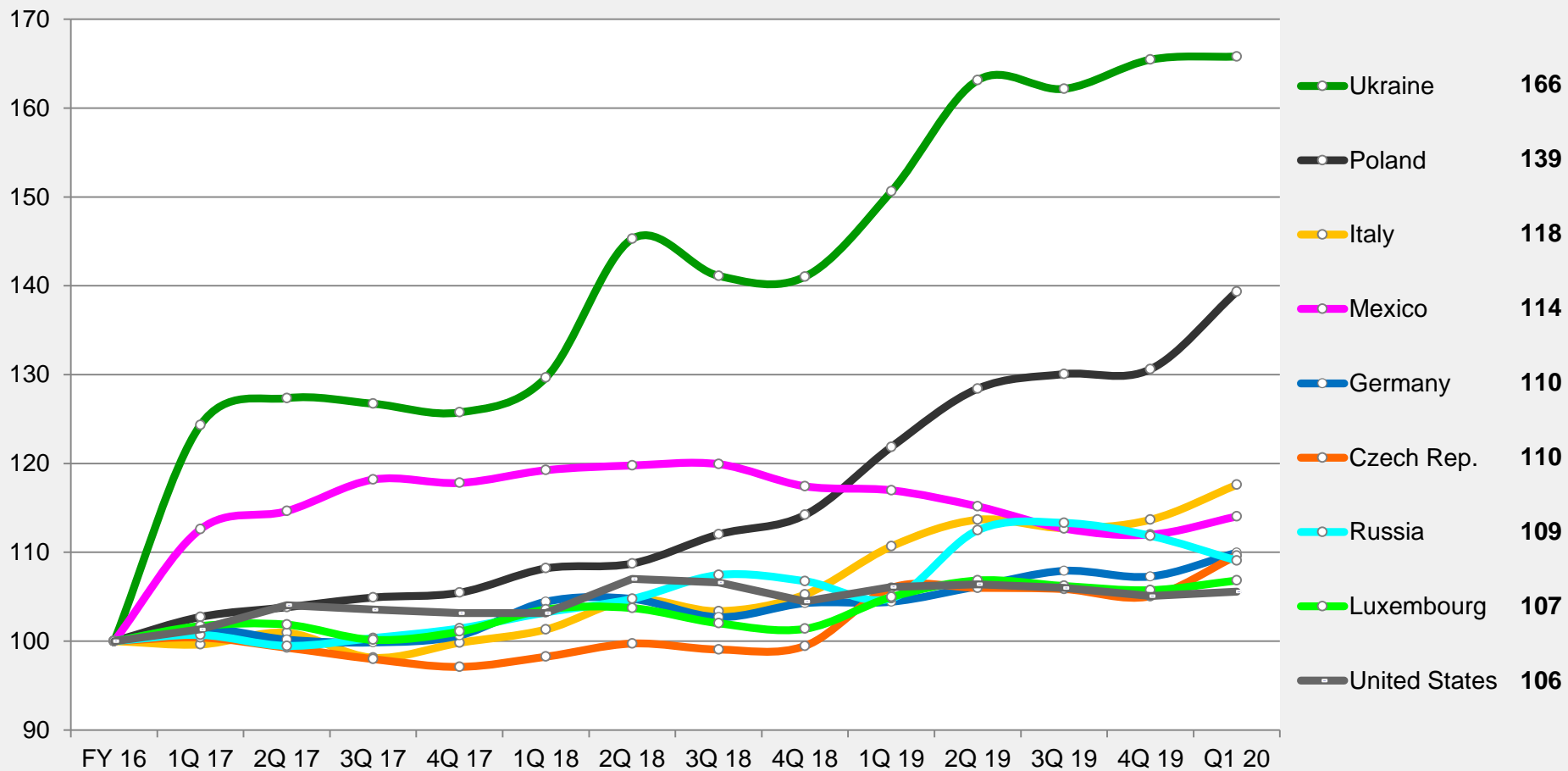
Cement (m ton)



Ready-mix concrete (m m3)






Price Index by country













In local currency; FY16 = 100

FX changes

		Q1 20	Q1 19	Δ	Current
EUR 1 =		avg	Avg	%	
	USD	1.10	1.14	+2.9	1.12
	RUB	73.82	74.91	+1.5	77.66
	UAH	27.66	31.02	+10.8	29.95
	CZK	25.63	25.68	+0.2	26.68
	PLN	4.32	4.30	-0.5	4.45
	MXN	22.09	21.81	-1.3	25.31
	BRA	4.92	4.28	-14.9	6.00

Net sales by country

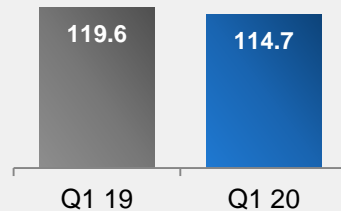
EURm	Q1 20	Q1 19	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	114.7	119.6	(4.9)	-4.1	-	4.0	-7.4
 United States	273.7	252.8	20.9	+8.3	8.0	-	+5.1
 Germany	149.3	137.1	12.2	+8.9	-	1.4	+7.8
 Lux / Netherlands	41.2	43.5	(2.4)	-5.5	-	-	-5.5
 Czech Rep / Slovakia	30.5	28.5	2.0	+6.9	-	-	+6.8
 Poland	24.8	23.4	1.4	+6.0	(0.1)	-	+6.5
 Ukraine	22.1	18.5	3.5	+18.9	2.4	-	+6.1
 Russia	40.3	40.2	0.1	+0.2	0.6	-	-1.3
<i>Eliminations</i>	<i>(8.1)</i>	<i>(7.8)</i>	<i>(0.3)</i>				
Total	688.5	656.0	32.5	+4.9	10.9	5.4	+2.5
 Mexico (100%)	147.7	150.5	(2.8)	-1.9	(1.9)	-	-0.6
 Brazil (100%)	28.8	33.3	(4.5)	-13.5	(4.3)	-	-0.6

Results by Geographic Area | Italy & United States of America

Italy



Net sales (€m)



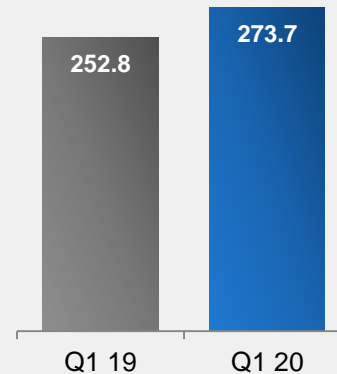
HIGHLIGHTS

- Despite a satisfactory start of the year, cement volumes down due to lockdown of industrial operations from 2nd half of Mar. Stronger impact on readymix production
- Favourable trend for selling prices.
- 17% of consolidated Q1 net sales (18% in Q1 2019)

USA



Net sales (€m)



HIGHLIGHTS

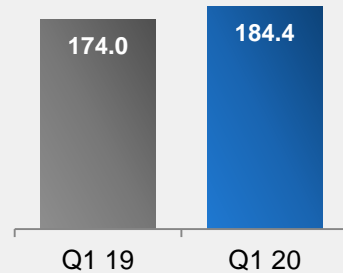
- Cement volumes improved thanks to favourable weather conditions and marginal impact from Covid-19 (no restrictions on activities in the construction sector in the vast majority of the country). Ready-mix slightly down
- No relevant changes in average selling prices in local currency
- 40% of consolidated Q1 net sales (39% in Q1 19)

Results by Geographic Area | Central & Eastern Europe

Central Europe



Net sales (€m)



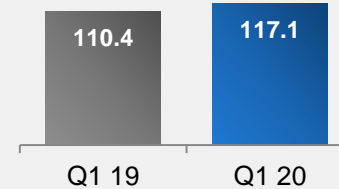
HIGHLIGHTS

- Cement volumes better than last year in Germany, thanks to limited negative impact from Covid-19. Luxembourg stable despite very weak Mar shipments following lockdown decisions locally and in France. Ready-mix concrete stable.
- Average selling prices improved
- 27% of consolidated Q1 net sales (27% in Q1 2019)

Eastern Europe



Net sales (€m)



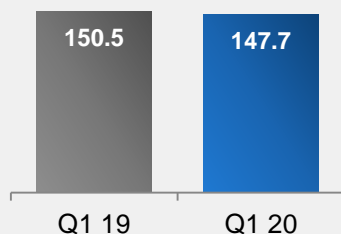
HIGHLIGHTS

- Cement volumes improved in Czech Republic meanwhile Russia, Poland and Ukraine more affected by restrictions and economic uncertainties. Ready mix slightly up
- Average selling prices in local currency improved
- 17% of consolidated Q1 net sales (17% in Q1 2019)

Results by Geographic Area | Mexico & Brazil (valued at equity)

Mexico

Net Sales (€m) – 100%



HIGHLIGHTS

- Cement volumes slightly up thanks to the continuation of a series of infra works considered strategic by the government, together with restrictions on economic activities due to the spread of the pandemic.
- Average selling prices in local currency declined
- Negative impact from the depreciation of the Mexican peso

Net sales (€m) – 100%

Brazil



HIGHLIGHTS

- Cement volumes down due to the bad weather conditions in South-East region and to the first negative impact of Covid-19
- Positive variance in selling prices, in local currency
- Negative impact from the depreciation of the Brazilian real (-14.9%)

YTD Trading Update

- **Italy:** From 4 May, we were allowed to resume our business. Cement sales partially recover in May (ca. 50% of the plants restarted the production) but YTD still significantly down.
- **Germany:** Downward trend in April and in May, despite fewer restrictions imposed by the government on economic activities and personal mobility
- **Luxembourg:** The plant resumed commercial activity and cement production since the last week of April. In May, gradual recovery in cement sales.
- **Czech Republic:** Return to levels close to normal in May (YTD cement sales in line with 2019). Least impacted market in Eastern Europe
- **Poland:** Gradual easing of the restrictions in May but cement sales have continued to slow down. Sharper decline in ready-mix concrete

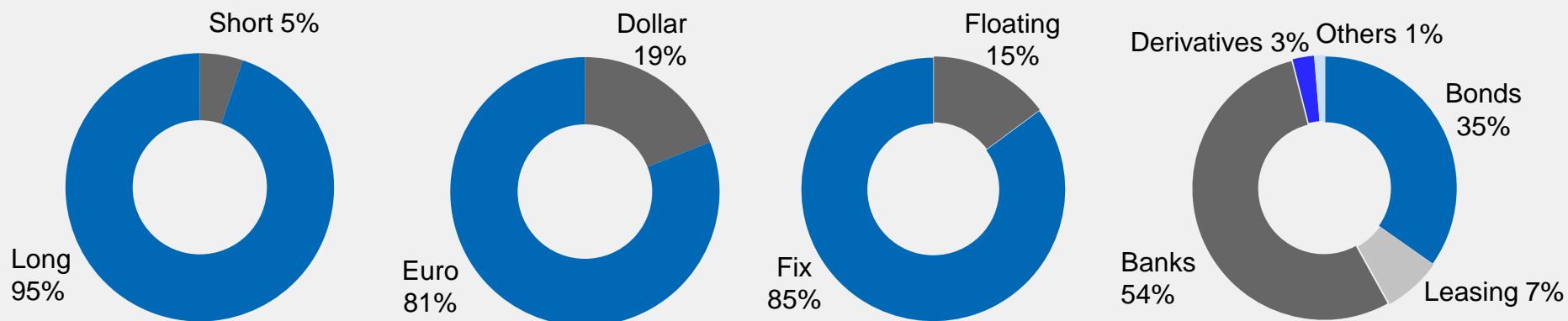
YTD Trading Update (2)

- **Ukraine:** The restrictive regulations remained in force in May, but industrial activities were still to be open for business. In May continuation of the downward trend already seen in April
- **Russia:** The severe restrictions on individual mobility and production have continued in May. Cement sales slightly better than in April, but clearly down YTD. Oil well cement is suffering
- **United States of America:** As of May, no severe reduction in cement consumption in our geographies. Cement sales in line with 2019 YTD, except oil-well cement shipments. During May, slow down in ready-mix concrete volumes in Texas.

Net Financial Position

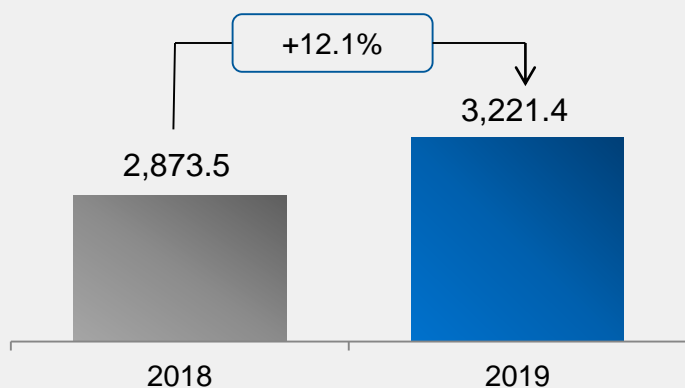
EURm	Mar 20	Dec 19	Δ	Mar 19
			abs	
Cash and other financial assets	909.4	840.9	68.5	420.2
Short-term debt	(51.8)	(72.2)	20.4	(456.0)
Short-term leasing	(22.9)	(22.5)	(0.4)	-
Net short-term cash	834.7	746.1	88.6	35.8
Long-term financial assets	2.8	2.9	(0.1)	4.7
Long-term debt	(1,282.9)	(1,242.1)	(40.8)	(1,002.4)
Long-term leasing	(79.8)	(74.7)	(5.1)	-
Net debt	(525.2)	(567.8)	42.6	(1,033.5)

Gross debt breakdown (1,437.4 €m)

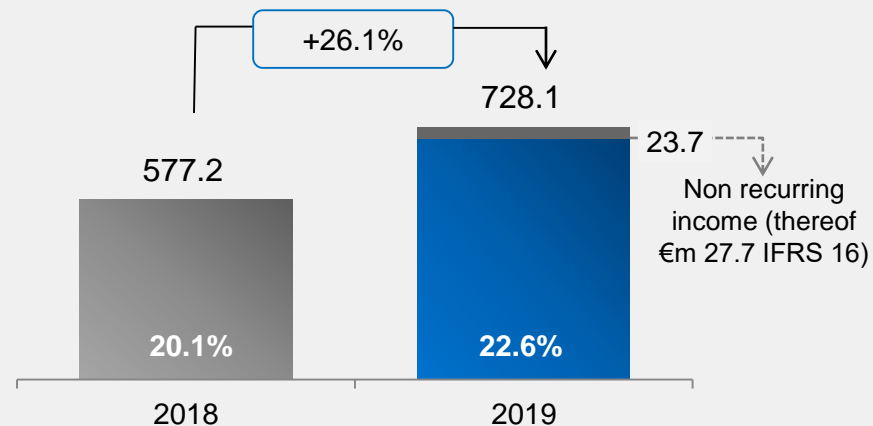


2019 Financial Highlights

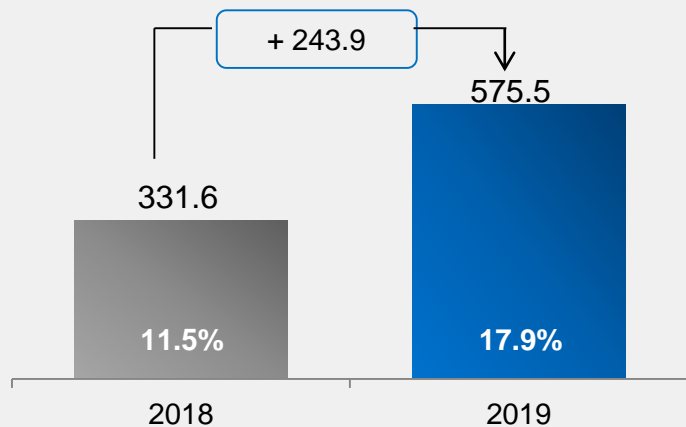
Net sales (€m)



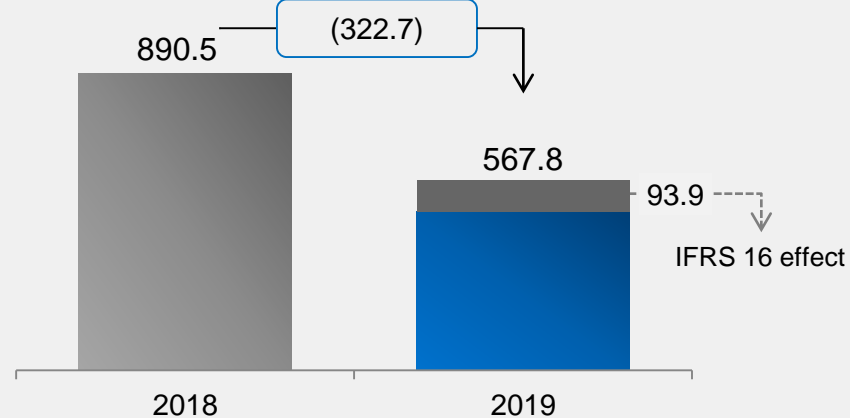
EBITDA (€m, % of sales)













Net Cash from operations (€m, % of sales)













Net Debt (€m)



Net Sales by country

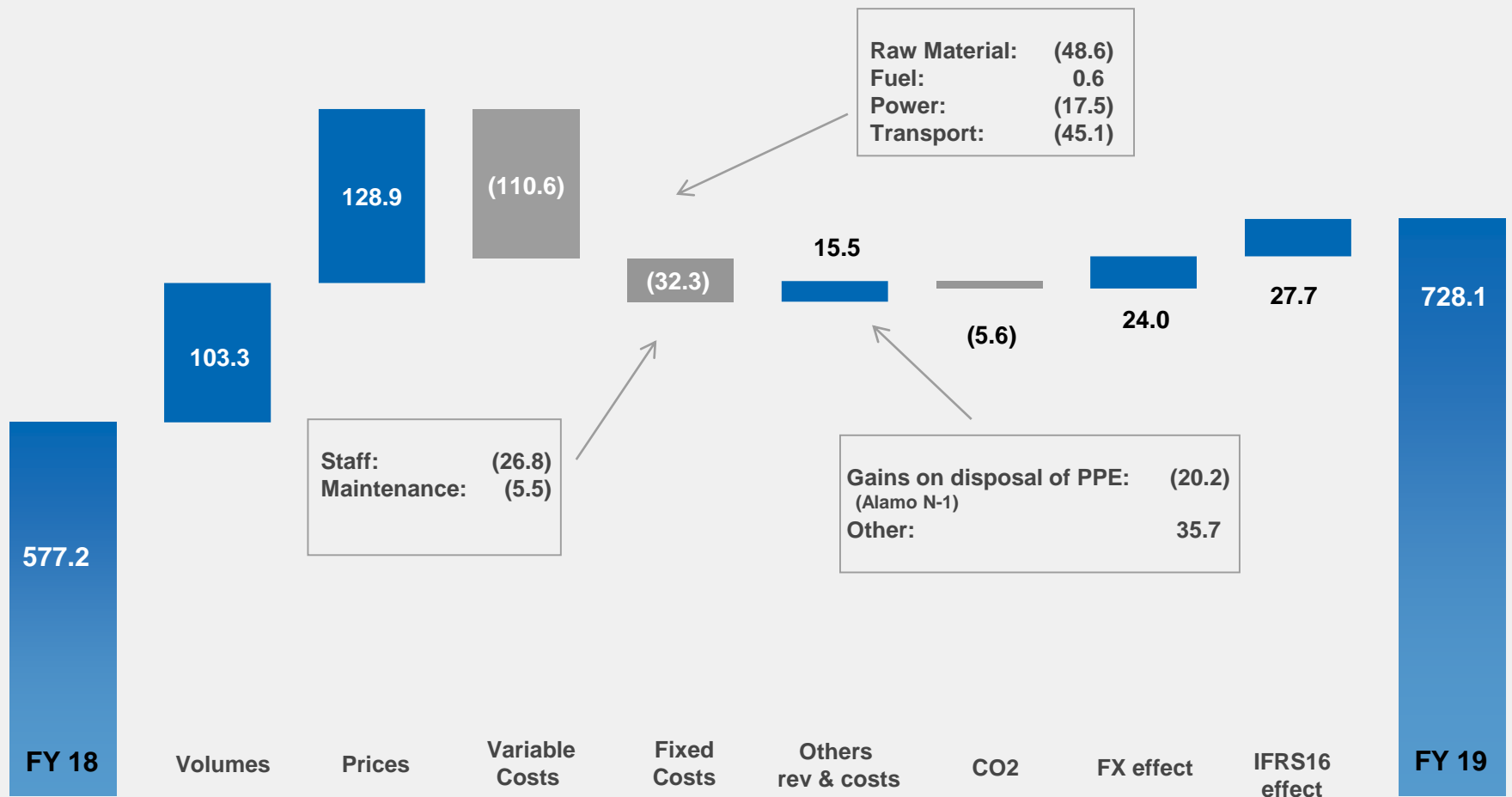
EURm	2019	2018	Δ	Δ	Forex	Scope	Δ I-f-I
			abs	%	abs	abs	%
 Italy	504.7	459.8	44.9	+9.8	-	10.3	+7.5
 United States	1,242.5	1,069.6	172.9	+16.2	64.7	-	+10.1
 Germany	679.6	632.5	47.2	+7.5	-	10.2	+5.9
 Lux / Netherlands	192.5	197.2	(4.7)	-2.4	-	-	-2.4
 Czech Rep / Slovakia	168.2	164.5	3.6	+2.2	-0.1	-	+2.3
 Poland	123.8	111.4	12.4	+11.1	-1.0	-	+12.1
 Ukraine	131.9	88.3	43.6	+49.3	13.1	-	+34.5
 Russia	214.5	185.5	29	+15.6	4.6	-	+13.2
<i>Eliminations</i>	<i>(36.1)</i>	<i>(35.2)</i>					
Total	3,221.4	2,873.5	348	+12.1	81.2	20.5	+8.6
 Mexico (100%)	593.2	624.7	(31.5)	-5.0	+30.0	-	-9.8
 Brazil (100%)	134.7	133.0	1.7	+1.3	-3.3	-	+3.8

EBITDA by country

EURm	2019	2018	Δ abs	Δ %	Forex abs	Scope abs	Δ I-f-I %
 Italy	43.4	(1.7)	45.1	>100	-	-4.0	> 100
 United States	402.7	341.2	61.5	+18.0	21.0	-	+11.9
 Germany	102.3	82.5	19.8	+24.0	-	1.2	+22.6
 Lux / Netherlands	22.7	23.1	(0.4)	-1.6	-	-	-1.6
 Czech Rep / Slovakia	46.3	43.6	2.7	+6.3	-0.1	-	+6.4
 Poland	32.1	31.9	0.3	+0.9	-0.3	-	+1.7
 Ukraine	21.0	7.0	14.0	>100	2.1	-	>100
 Russia	57.7	50.1	7.5	+15.0	1.2	-	+12.6
<i>Eliminations</i>	(0.2)	(0.4)	0.2				
Total	728.1	577.2	150.9	+26.1	24.0	-2.8	+22.5
 Mexico (100%)	252.2	289.0	(36.7)	-12.7	12.8	-	-17.1
 Brazil (100%)	23.4	31.8	(8.4)	-26.6	-0.6	-	-24.8

EBITDA variance analysis

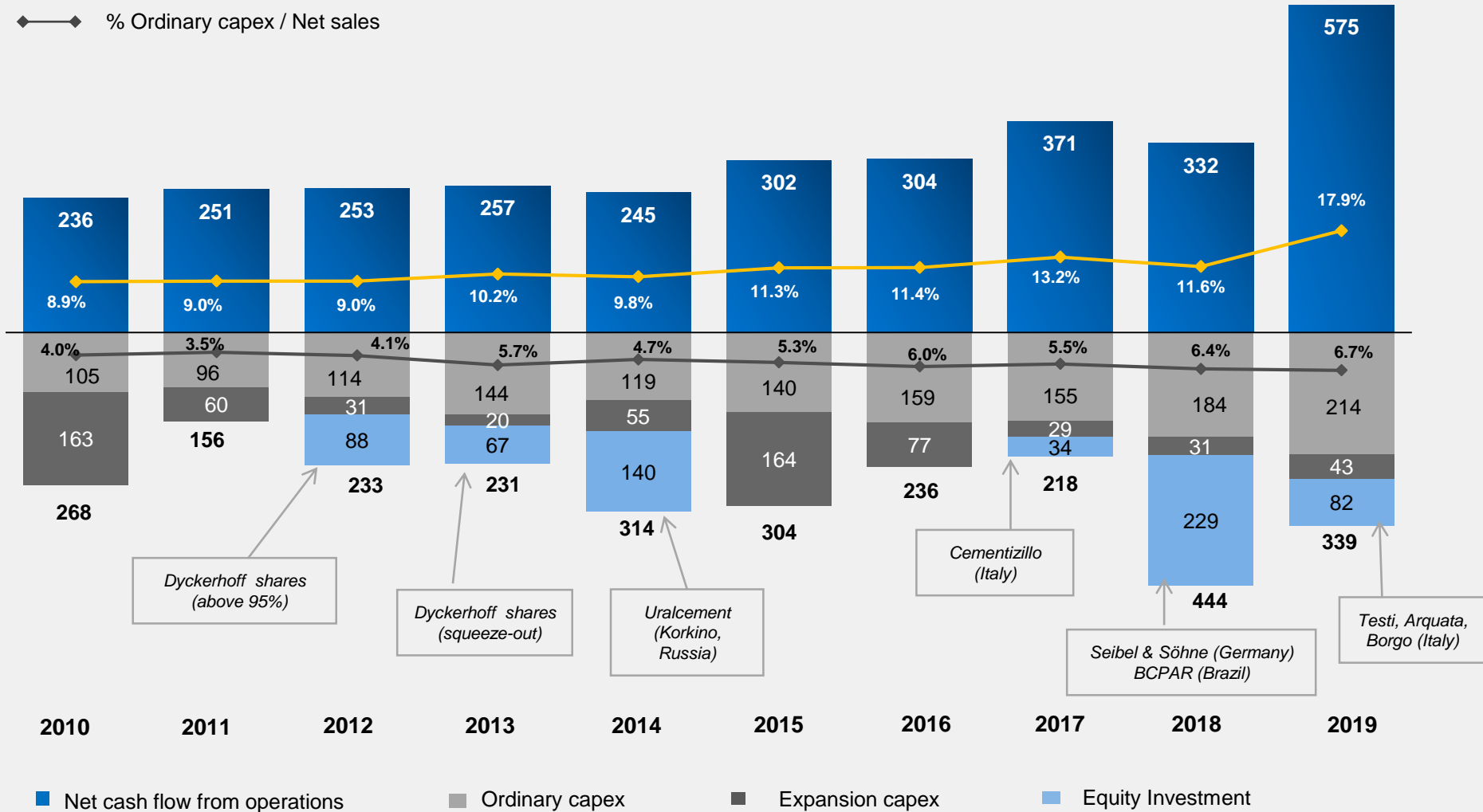
EURm



Net Cash Flow from Operations and Capex | €m

◆ % Net cash flow from operations / Net sales

◆ % Ordinary capex / Net sales



■ Net cash flow from operations

■ Ordinary capex

■ Expansion capex

■ Equity Investment

Consolidated Income Statement

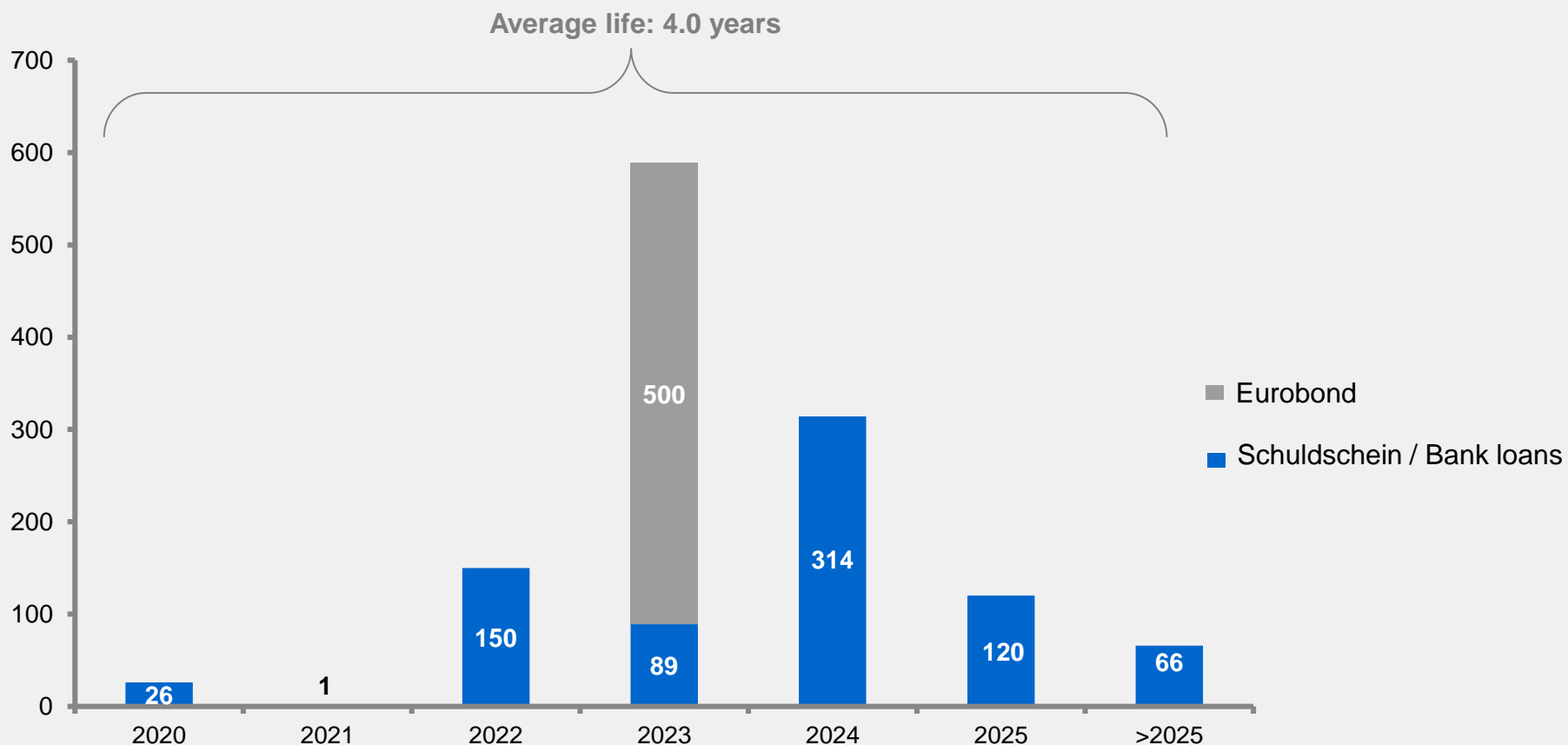
	2019	2018	Δ	Δ
EURm			abs	%
Net Sales	3,221.4	2,873.5	348.0	+12.1
EBITDA	728.1	577.2	150.9	+26.1
of which, non recurring	(23.7)	(8.7)		
% of sales (recurring)	21.9%	19.8%		
Depreciation and amortization	(259.9)	(225.4)	(34.5)	
Operating Profit (EBIT)	468.2	351.8	116.4	+33.1
% of sales	14.5%	12.2%		
Equity earnings	72.3	88.7	(16.4)	
Net finance costs	(58.6)	24.7	(83.4)	
Profit before tax	482.0	465.3	16.7	+3.6
Income tax expense	(96.0)	(82.5)	(13.5)	
Net profit	385.9	382.8	3.2	+0.8
Minorities	(0.2)	(0.6)	0.4	
Consolidated net profit	385.7	382.1	3.5	+0.9

Consolidated Cash Flow Statement

EURm	2019	2018
Cash generated from operations	691.5	453.4
% of sales	21.5%	15.8%
Interest paid	(31.7)	(45.4)
Income tax paid	(84.3)	(76.4)
Net cash by operating activities	575.5	331.6
% of sales	17.9%	11.5%
Capital expenditures	(257.1)	(215.3)
IFRS 16 leasing	(93.9)	-
Equity investments	(82.3)	(228.5)
Purchase of treasury shares	-	(118.7)
Repayment Convertible bond	94.8	-
Dividends paid	(26.8)	(28.6)
Dividends from associates	84.4	80.9
Disposal of fixed assets and investments	12.4	45.2
Translation differences and derivatives	5.4	90.1
Accrued interest payable	0.3	3.5
Interest received	13.5	14.4
Change in consolidation area and other	(3.4)	(2.6)
Change in net debt	322.7	(28.0)
Net financial position (end of period)	(567.8)	(890.5)

Debt Maturity Profile

- Total nominal value of debt and borrowings (except €m 97 leasing), stood at €m 1,266 at December 2019
- As at December 2019 available €m 321m of undrawn committed facilities (€m 300 for Buzzi Unicem, €m21 for Dyckerhoff)



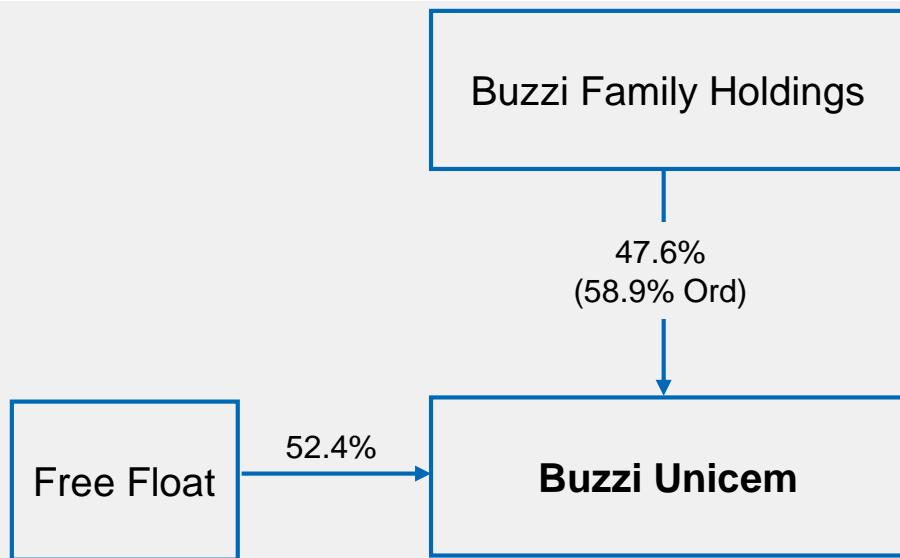
Appendix

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), United States (# 4 cement producer), Germany (# 2 cement producer), joint venture in Mexico and Brazil
 - 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”

Shares & Shareholders | Dividend

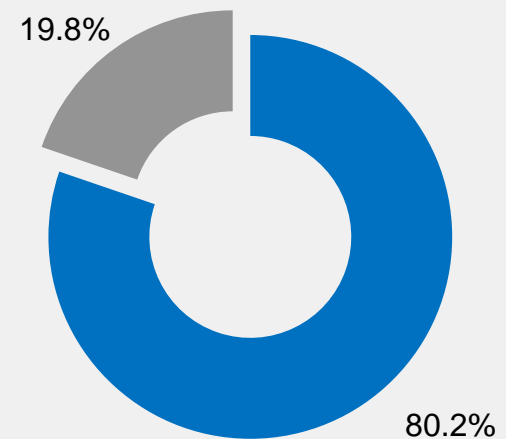


Dividend paid

▶ Dividend per ordinary share	0.15 €/share
▶ Dividend per savings share	0.17 €/share

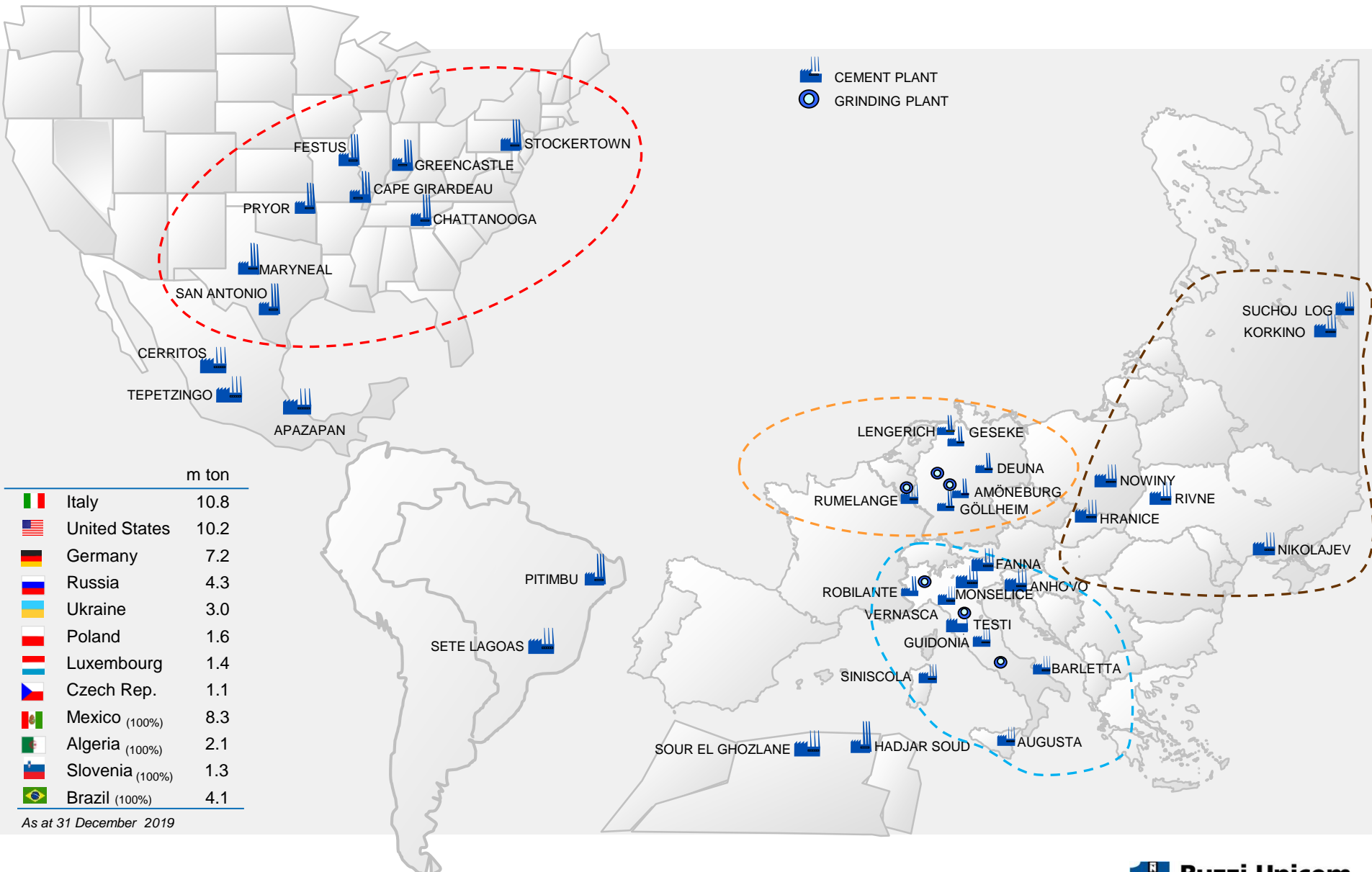
Share Capital

• Ordinary	165,349,149
• Savings	40,711,949
Number of shares	206,061,098



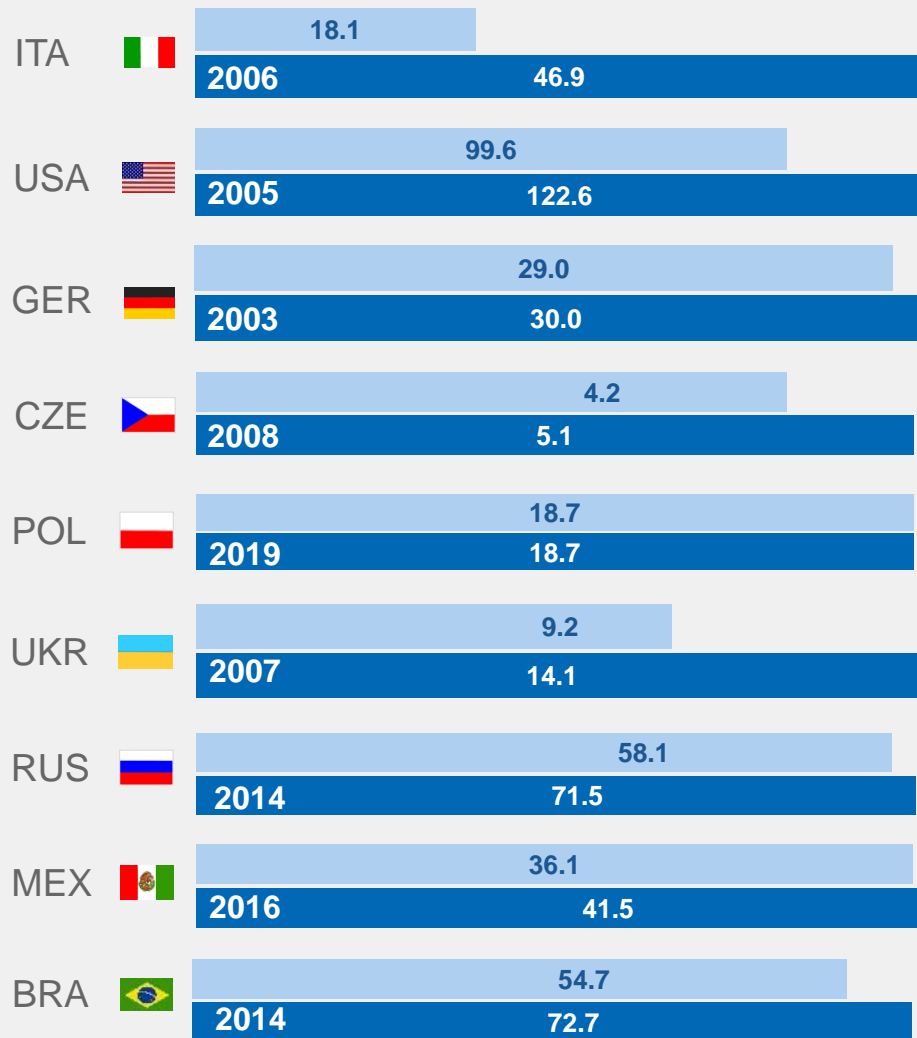
As at December 2019

Cement plants location and capacity

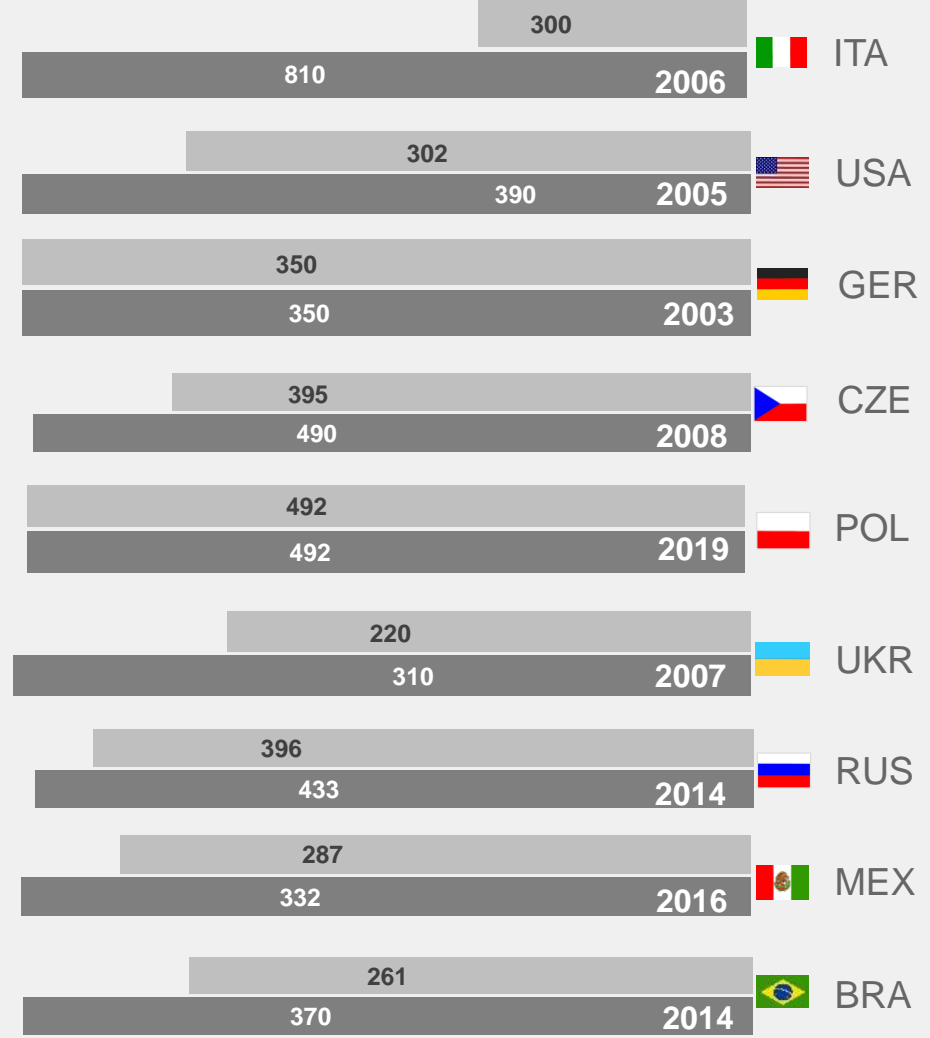


2019 Consumption vs. Peak

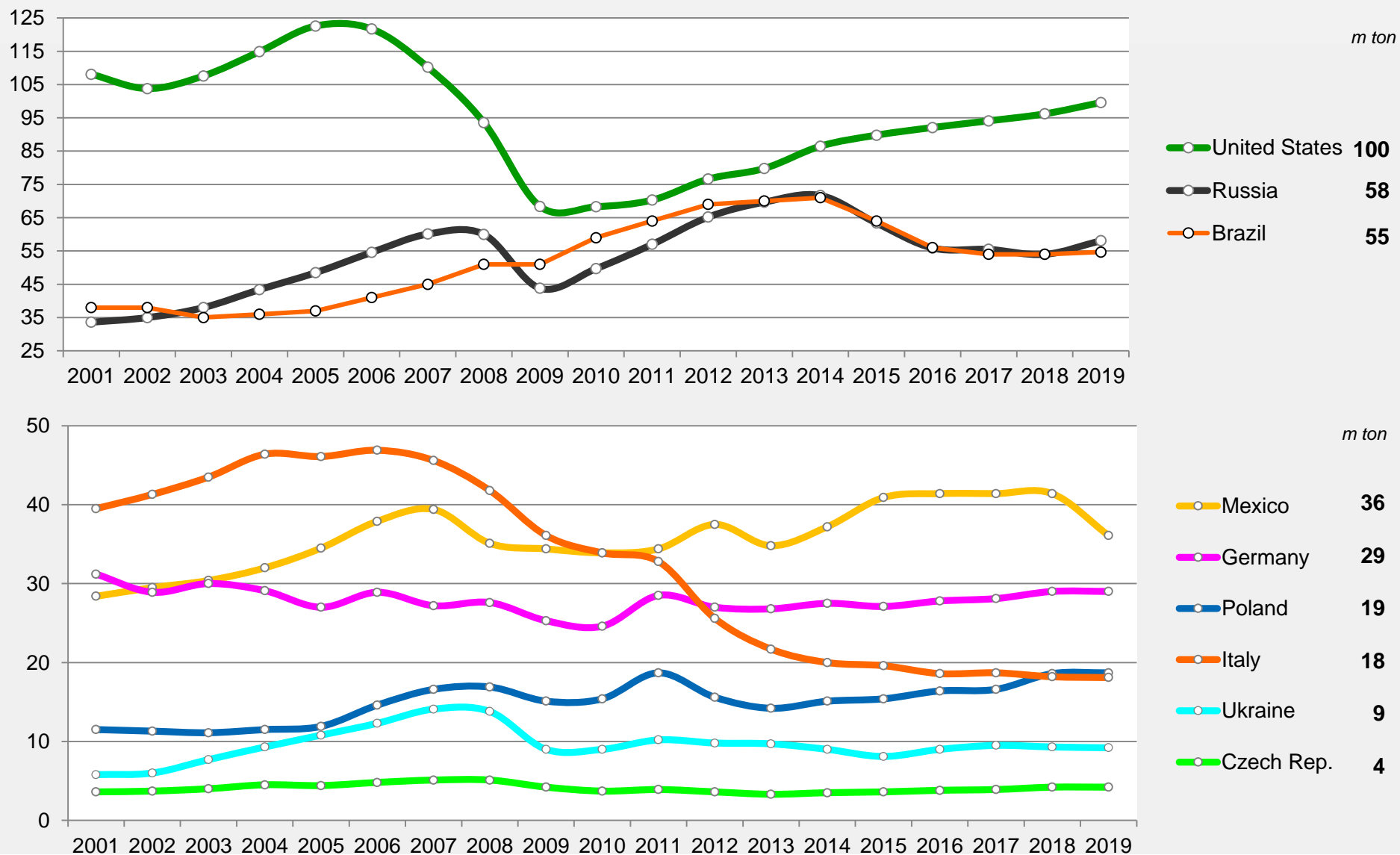
Total market (m ton)












Per capita consumption (kg)



Historical series of cement consumption by country



Historical EBITDA development by country

		2011	2012	2013	2014	2015	2016	2017	2018	2019	
	Italy	<i>EBITDA</i>	10,3	-5,9	-18,1	-18,7	-37,2	-22,2	-79,7	-1,7	43,4
		<i>margin</i>	1,8%	-1,2%	-4,2%	-4,8%	-9,8%	-5,9%	-18,6%	-0,4%	8,6%
	Germany	<i>EBITDA</i>	90,3	72,2	108,1	88,6	72,1	76,8	78,1	82,5	102,3
		<i>margin</i>	14,2%	12,0%	18,0%	14,7%	12,6%	13,4%	13,3%	13,0%	15,1%
	Lux/ Netherlands	<i>EBITDA</i>	35,0	8,3	11,5	15,9	19,7	25,8	17,6	23,1	22,7
		<i>margin</i>	15,7%	4,3%	6,3%	9,7%	11,7%	14,7%	9,4%	11,7%	11,8%
	Czech Rep/ Slovakia	<i>EBITDA</i>	35,2	25,4	19,2	27,0	32,6	34,4	36,5	43,6	46,3
		<i>margin</i>	20,5%	17,0%	14,6%	20,2%	24,0%	25,2%	24,7%	26,5%	27,5%
	Poland	<i>EBITDA</i>	36,9	21,8	27,1	18,2	22,7	23,4	24,1	31,9	32,1
		<i>margin</i>	26,6%	20,0%	26,8%	20,4%	20,4%	24,6%	24,9%	28,6%	25,9%
	Ukraine	<i>EBITDA</i>	6,9	15,8	12,3	11,0	4,0	12,8	16,0	7,0	21,0
		<i>margin</i>	6,2%	11,8%	10,0%	12,5%	5,7%	16,1%	16,9%	8,0%	15,9%
	Russia	<i>EBITDA</i>	65,7	96,1	92,6	73,4	48,4	43,2	46,0	50,1	57,7
		<i>margin</i>	37,4%	41,0%	37,2%	35,0%	29,0%	28,0%	24,9%	27,0%	26,9%
	USA	<i>EBITDA</i>	71,4	123,9	151,0	207,3	311,7	356,5	369,6	341,2	402,7
		<i>margin</i>	12,8%	18,2%	20,7%	24,2%	28,1%	31,9%	33,0%	31,9%	32,4%
	Mexico	<i>EBITDA</i>	82,6	97,5	77,5	<i>Adoption of IFRS 11</i>					
		<i>margin</i>	34,7%	36,2%	33,2%						
	Group	EBITDA	434,3	455,1	481,2	422,7	473,2	550,6	508,2	577,2	728,1
		margin	15,6%	16,2%	17,5%	16,9%	17,8%	20,6%	18,1%	20,1%	22,6%



MEDIOBANCA
SECURITIES

Italian CEOs Conference

24 June 2020

