

## Italian Investment Conference

Milan – 23 May 2017

# Executive summary Q1 2017

## ▪ Volumes

- Cement up 4.5%, facilitated by additional working days (2016 Eastern in march), thanks to a good start to the year in Germany and in Italy, and positive growth in all other markets with the exception of Russia; ready-mix concrete up 9.1%
- Italy: cement up, with positive domestic shipments and especially export and clinker; ready-mix up favored by positive change of scope in the Milan area
- United States: confirmed the 2016 brilliant start to the year; upswing in oil-well cement shipments; ready mix still suffering
- Central Europe: encouraging robust pace, particularly in Germany
- Eastern Europe: overall slightly positive, thanks to the expansion in Czech Republic, Ukraine and Poland which more than offset the slowdown in Russia

## ▪ Prices

- Q1 vs Q1: unfavorable variance in Italy and Germany, to a minor extent also in Czech Republic; favorable in the United States and Ukraine; stable or marginal strengthening in other markets
- Q1 17 flat or above Q4 16 in all markets

## ▪ Foreign Exchange

- Positive impact on sales (€m 16.8) due to a stronger dollar and ruble

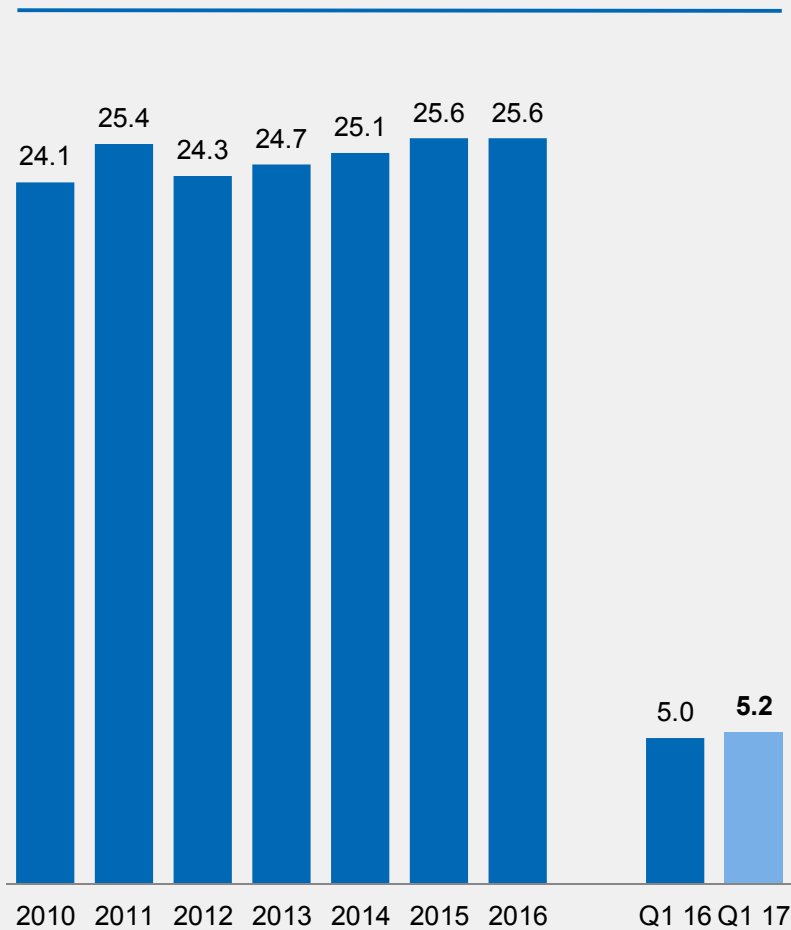
## ▪ Results

- Revenues at €m 588.5 versus €m 540.3 in Q1 2016
- Outlook confirmed for financial year 2017

# Volumes Q1 2017

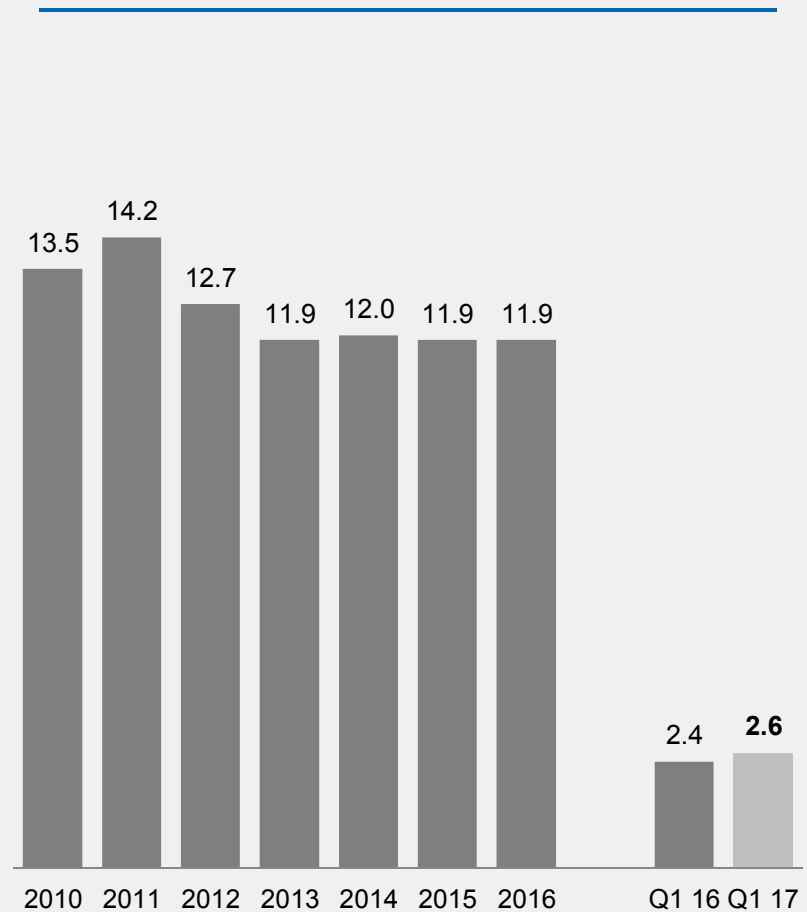
## Cement

(m ton)

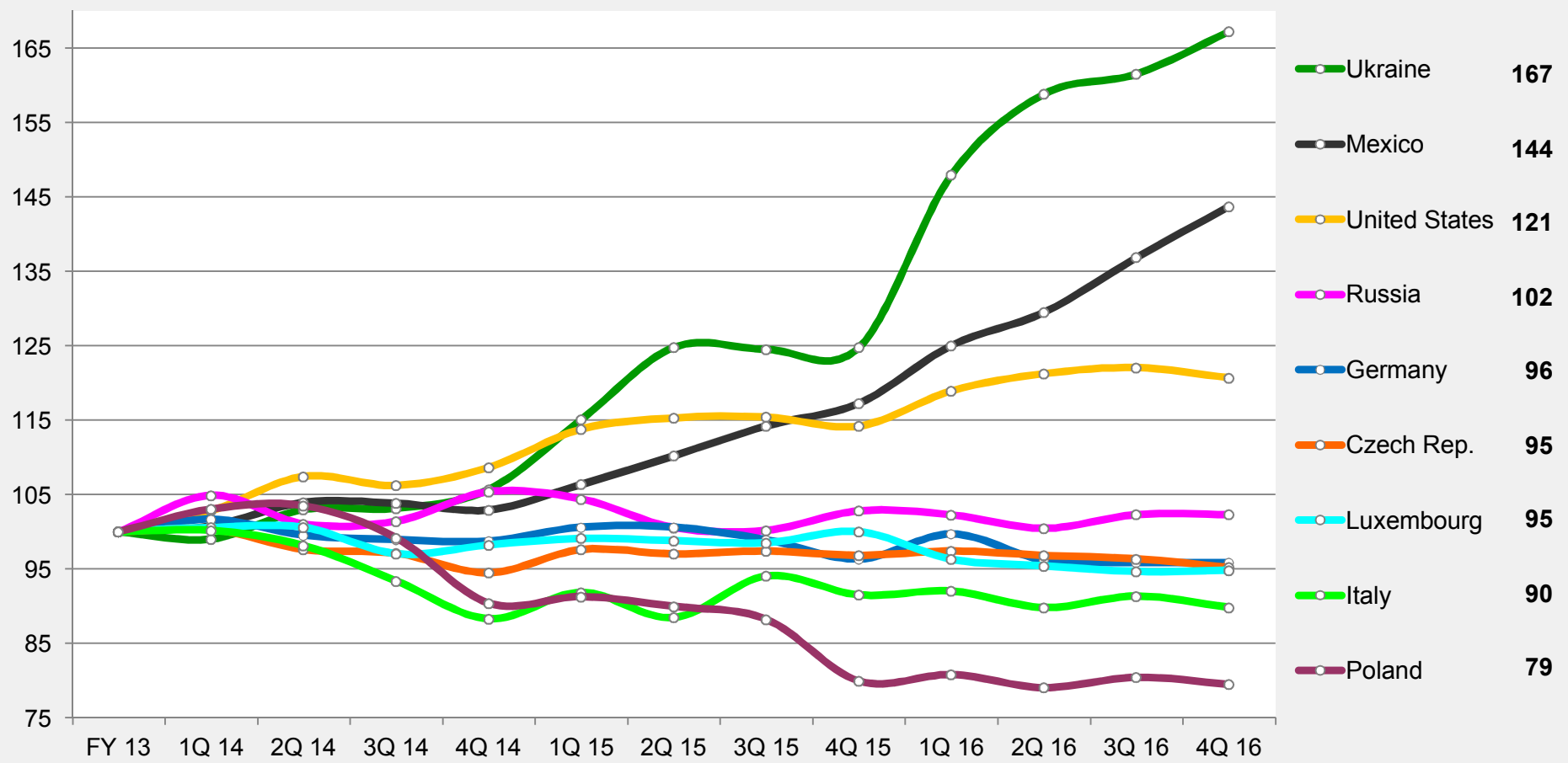


## Ready-mix concrete

(m m3)









# Price trends by country

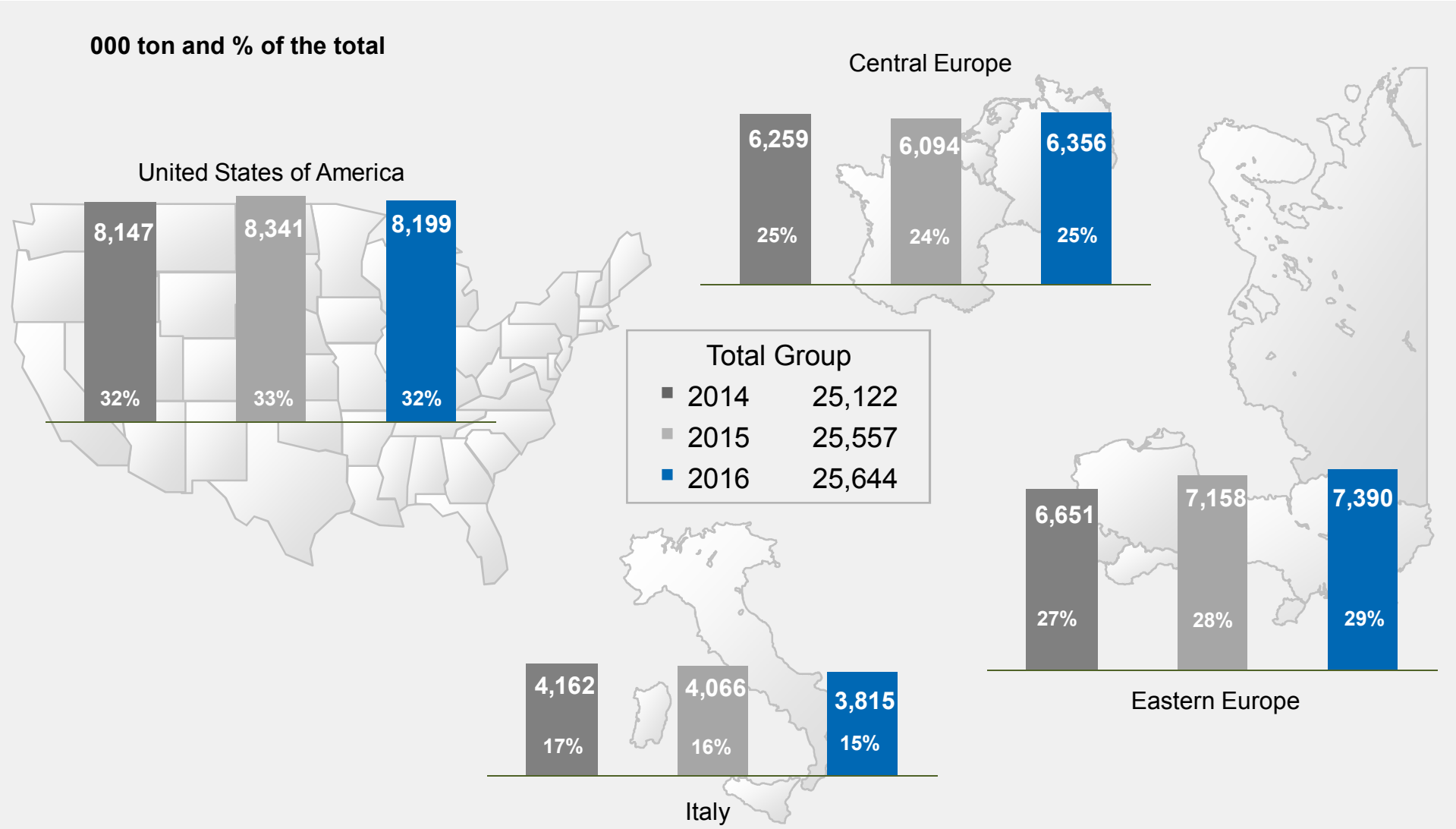


*In local currency; FY13 = 100*










## FX changes

		Q1 17	Q1 16	Δ	2016	current
EUR 1 =		avg	avg	%	avg	
	USD	1.07	1.10	+3.4	1.11	1.09
	RUB	62.52	82.45	+24.2	74.15	62.11
	UAH	28.84	28.35	-1.7	28.29	29.05
	CZK	27.02	27.04	+0.1	27.03	26.92
	PLN	4.32	4.37	+1.0	4.36	4.22
	MXN	21.62	19.90	-8.6	20.67	20.75










# Cement volumes by geographical area



## Net sales by country

	Q1 2017	Q1 2016	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	95.1	84.4	10.7	+12.7	-	-	+12.7
 United States	256.8	243.5	13.3	+5.5	8.7	-	+1.9
 Germany	120.2	112.0	8.2	+7.4	-	-	+7.4
 Lux/Netherlands	39.1	37.6	1.4	+3.9	-	-	+3.9
 Czech Rep/Slovakia	23.5	21.5	2.0	+9.1	-	-	+9.1
 Poland	15.9	14.5	1.4	+9.7	0.2	-	+8.6
 Ukraine	13.0	9.0	4.0	+44.3	(0.2)	-	+46.8
 Russia	33.9	26.0	7.9	+30.2	8.2	-	-1.3
<i>Eliminations</i>	(8.9)	(8.1)	(0.8)				
<b>Total</b>	<b>588.5</b>	<b>540.3</b>	<b>48.1</b>	<b>+8.9</b>	<b>16.8</b>	<b>-</b>	<b>+5.8</b>
 Mexico (100%)	171.8	143.1	28.7	+20.0	(14.8)	-	+30.4

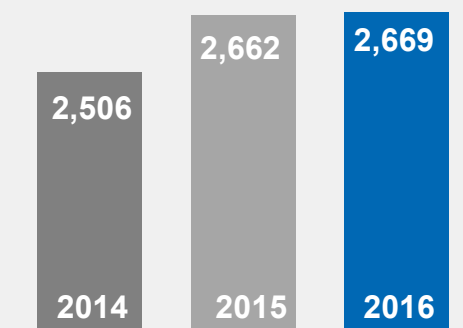
## EBITDA by country

	FY 16	FY 15	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	(22.2)	(37.2)	15.0	+40.3	-	-	+40.3
 USA	356.5	311.7	44.7	+14.4	0.8	-	+14.1
 Germany	76.8	72.1	4.7	+6.6	-	0.3	+6.1
 Lux/Netherlands	25.8	19.7	6.1	+31.0	-	-	+31.0
 Czech Rep/Slovakia	34.3	32.6	1.7	+5.2	0.3	(0.2)	+5.1
 Poland	23.4	21.9	1.4	+6.6	(1.0)	-	+11.1
 Ukraine	12.8	4.0	8.8	>100	(2.1)	-	>100
 Russia	43.2	48.4	(5.2)	-10.7	(3.9)	-	-2.7
<b>Total</b>	<b>550.6</b>	<b>473.2</b>	<b>77.4</b>	<b>+16.4</b>	<b>(5.8)</b>	<b>(0.0)</b>	<b>+17.6</b>
recurring	550.7	478.8	71.9	+15.0	(5.8)	(0.0)	+14.0
 Mexico (100%)	293.4	256.1	37.3	+14.6	(50.8)	-	+34.4



# Key economics indicators

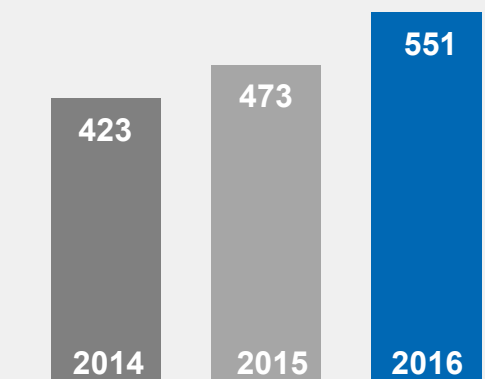
## EURm Net sales



	14/13	15/14	16/15
	%	%	%

<b>Δ YoY</b>	<b>-0.1</b>	<b>+6.2</b>	<b>+0.3</b>
Δ operations	+3.4	+1.0	+1.7
Δ foreign exchange	-3.6	+4.0	-1.0
Δ scope	+0.1	+1.1	-0.4

## EURm EBITDA

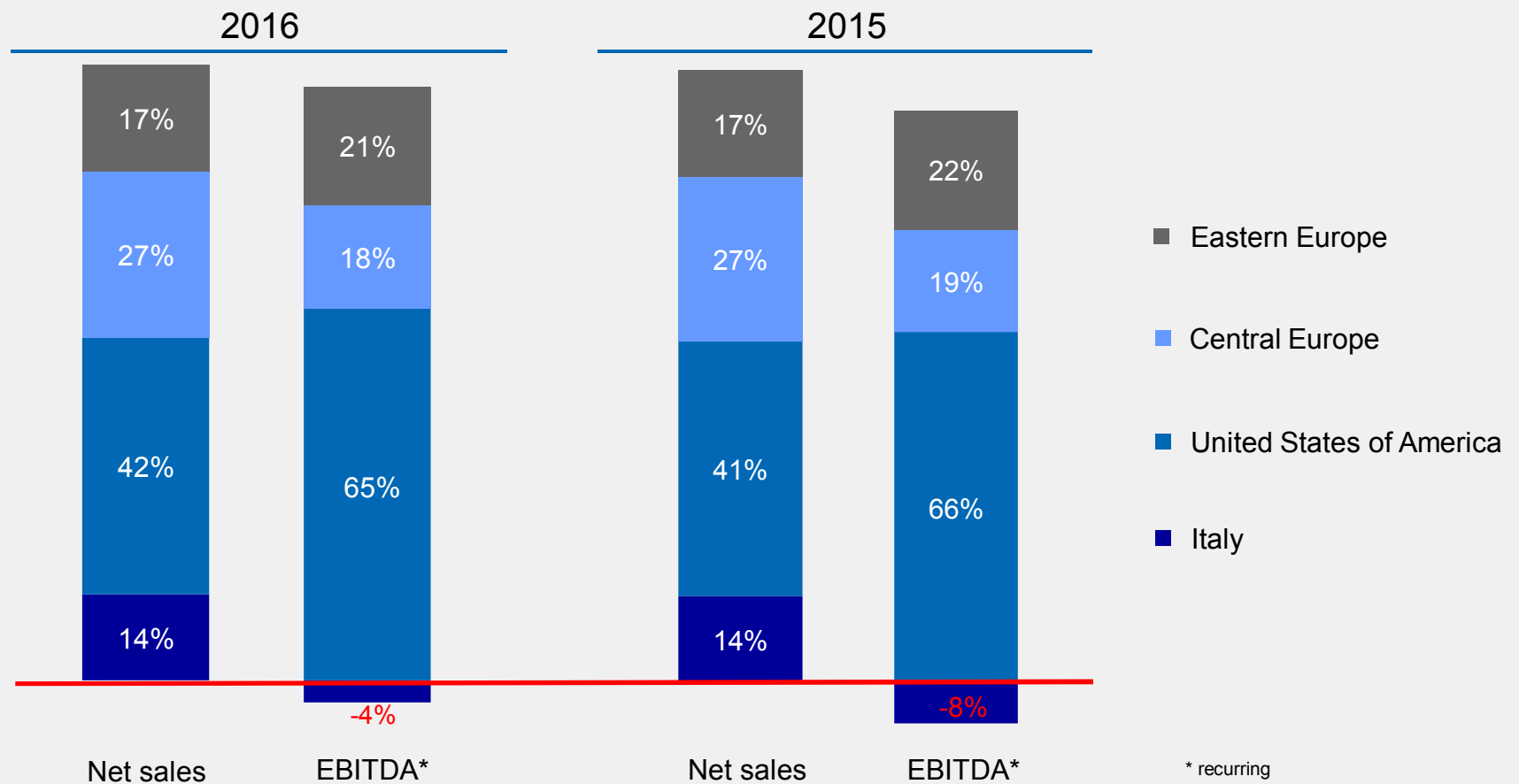


	14/13	15/14	16/15
	%	%	%

<b>Δ YoY</b>	<b>+4.8</b>	<b>+11.9</b>	<b>+16.4</b>
Δ operations	+10.2	+3.0	+17.6
Δ foreign exchange	-5.4	+8.2	-1.2
Δ scope	+0.1	+0.9	0.0

# Net sales and EBITDA FY 16 development

- USA still accounts for 2/3 of the consolidated EBITDA
- Decreasing contribution from emerging markets, from 22% to 21% of EBITDA (was 33% in 2014) due to forex and weaker Russian contribution



# Consolidated Income Statement

EURm	FY 16	FY 15	Δ abs	Δ %
<b>Net Sales</b>	<b>2,669.3</b>	<b>2,662.1</b>	<b>7.2</b>	<b>+0.3</b>
<b>EBITDA</b>	<b>550.6</b>	<b>473.2</b>	<b>77.4</b>	<b>+16.4</b>
of which, non recurring	0.1	5.6		
% of sales (recurring)	20.6%	18.0%		
Depreciation and amortization	(202.6)	(209.2)	6.5	
<b>Operating profit (EBIT)</b>	<b>348.0</b>	<b>264.0</b>	<b>84.0</b>	<b>+31.8</b>
% of sales	13.0%	9.9%		
Equity earnings	80.1	63.2	16.9	
Net finance costs	(147.2)	(105.1)	(42.1)	
<b>Profit before tax</b>	<b>280.9</b>	<b>222.1</b>	<b>58.8</b>	<b>+26.5</b>
Income tax expense	(132.2)	(94.0)	(38.2)	
<b>Net profit</b>	<b>148.7</b>	<b>128.1</b>	<b>20.6</b>	<b>+16.1</b>
Minorities	(2.8)	(2.8)		
<b>Consolidated net profit</b>	<b>145.9</b>	<b>125.3</b>	<b>20.5</b>	<b>+16.4</b>
<b>Cash flow <sup>(1)</sup></b>	<b>351.3</b>	<b>337.3</b>	<b>14.0</b>	<b>+4.2</b>

(1) Net Profit + amortization & depreciation

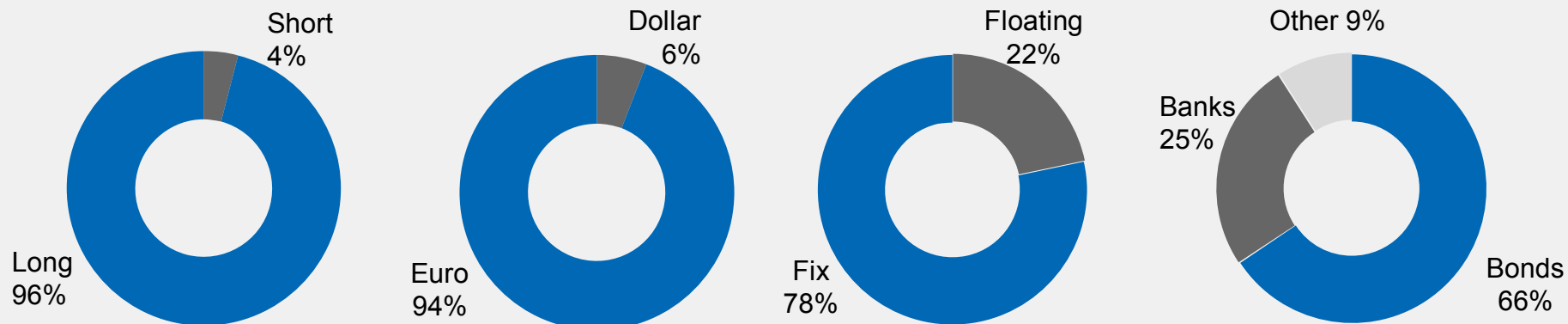
# Consolidated Cash Flow Statement

EURm	FY 16	FY 15
<b>Cash generated from operations</b>	<b>467.5</b>	<b>444.9</b>
% of sales	17.5%	16.7%
Interest paid	(61.5)	(74.9)
Income tax paid	(101.8)	(68.4)
<b>Net cash by operating activities</b>	<b>304.1</b>	<b>301.6</b>
% of sales	11.4%	11.3%
Capital expenditures	(236.0)	(304.7)
Equity investments	(0.4)	0.5
Dividends paid	(16.3)	(10.7)
Dividends from associates	67.0	39.9
Disposal of fixed assets and investments	21.5	19.3
Translation differences and derivatives	(59.9)	(30.6)
Accrued interest payable	(3.8)	1.7
Interest received	14.6	8.6
Other	(2.7)	7.4
<b>Change in net debt</b>	<b>88.2</b>	<b>33.0</b>
<b>Net financial position (end of period)</b>	<b>(941.6)</b>	<b>(1,029.7)</b>

# Net Financial Position

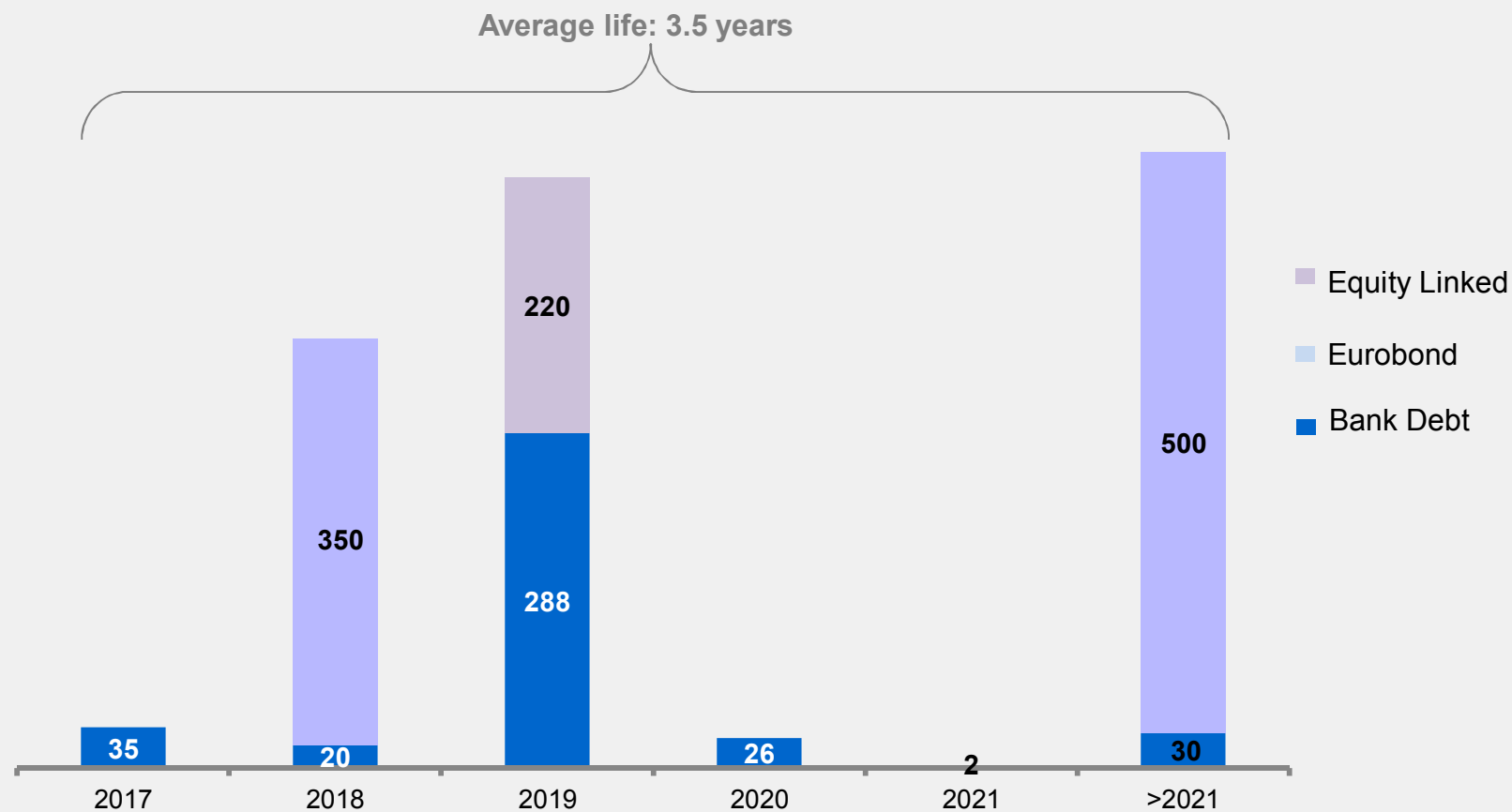
	Mar 17	Dec 16	Δ	Mar 16
<b>EURm</b>				
			abs	
Cash and other financial assets	605.2	609.6	(4.4)	439.1
Short-term debt	(64.8)	(75.8)	11.0	(545.1)
<b>Net short-term cash</b>	<b>540.4</b>	<b>533.8</b>	<b>6.6</b>	<b>(106.0)</b>
Long-term financial assets	13.0	13.2	(0.2)	16.2
Long-term debt	(1,533.3)	(1,488.6)	(44.7)	(1,008.2)
<b>Net debt</b>	<b>(979.9)</b>	<b>(941.6)</b>	<b>(38.3)</b>	<b>(1,097.9)</b>

Gross debt breakdown (€m 1,598.1)












# Debt maturity profile

- Total nominal value of debt and borrowings stood at €m 1,471 at March 2017
- As at March 2017 available €m 329m of undrawn committed facilities (€m 300m for Buzzi Unicem, €m 29 for Dyckerhoff)



# Expected trading in 2017

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

Note: Prices in local currency

# Appendix

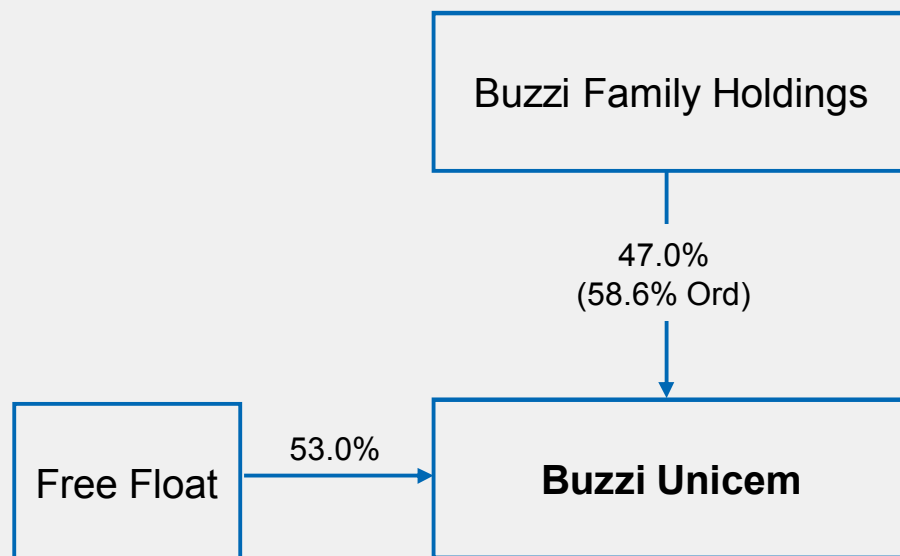


## Buzzi Unicem at a Glance

- 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”***

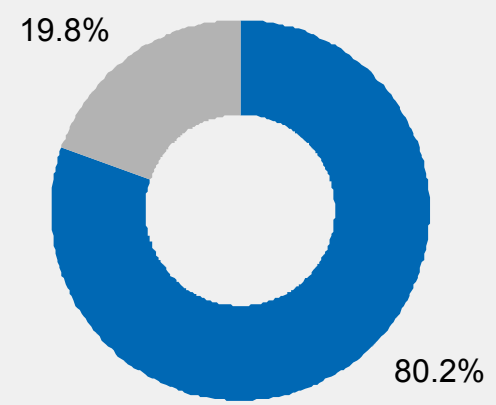
# Ownership structure



Share capital

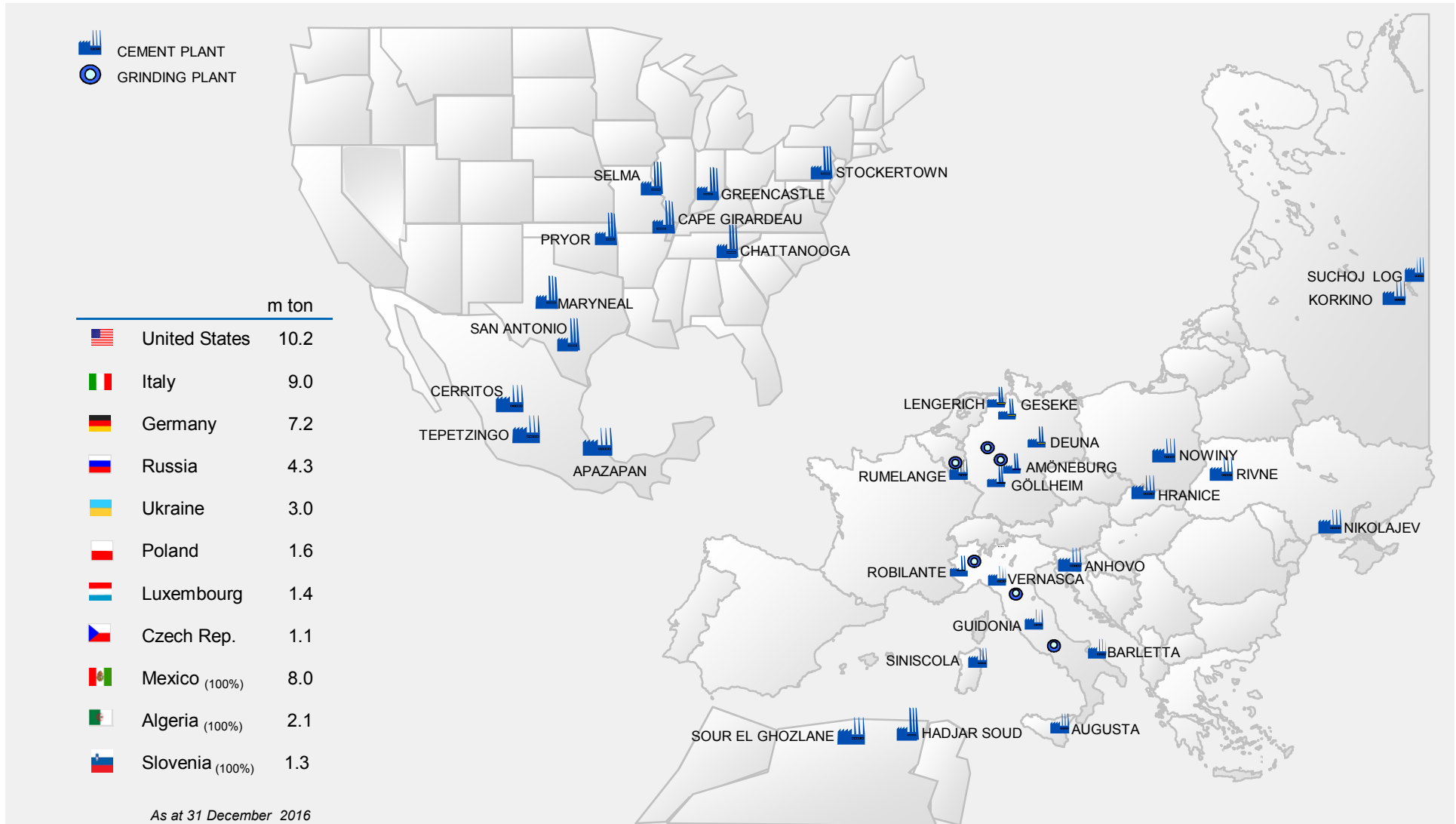
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■ Ordinary	165,349,149
■ Savings	40,711,949
<b>Total shares</b>	<b>206,061,098</b>

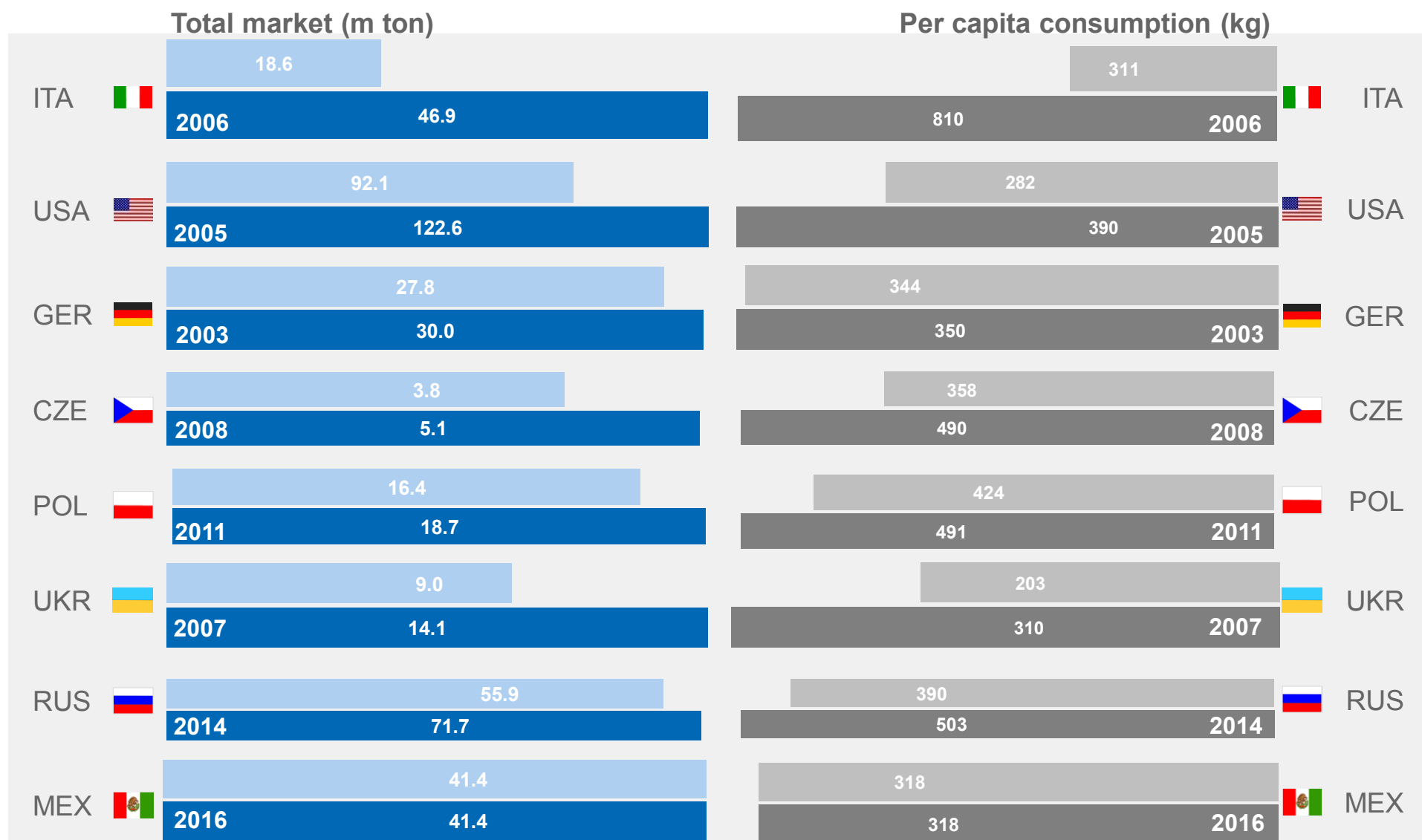


As at 31 December 2016

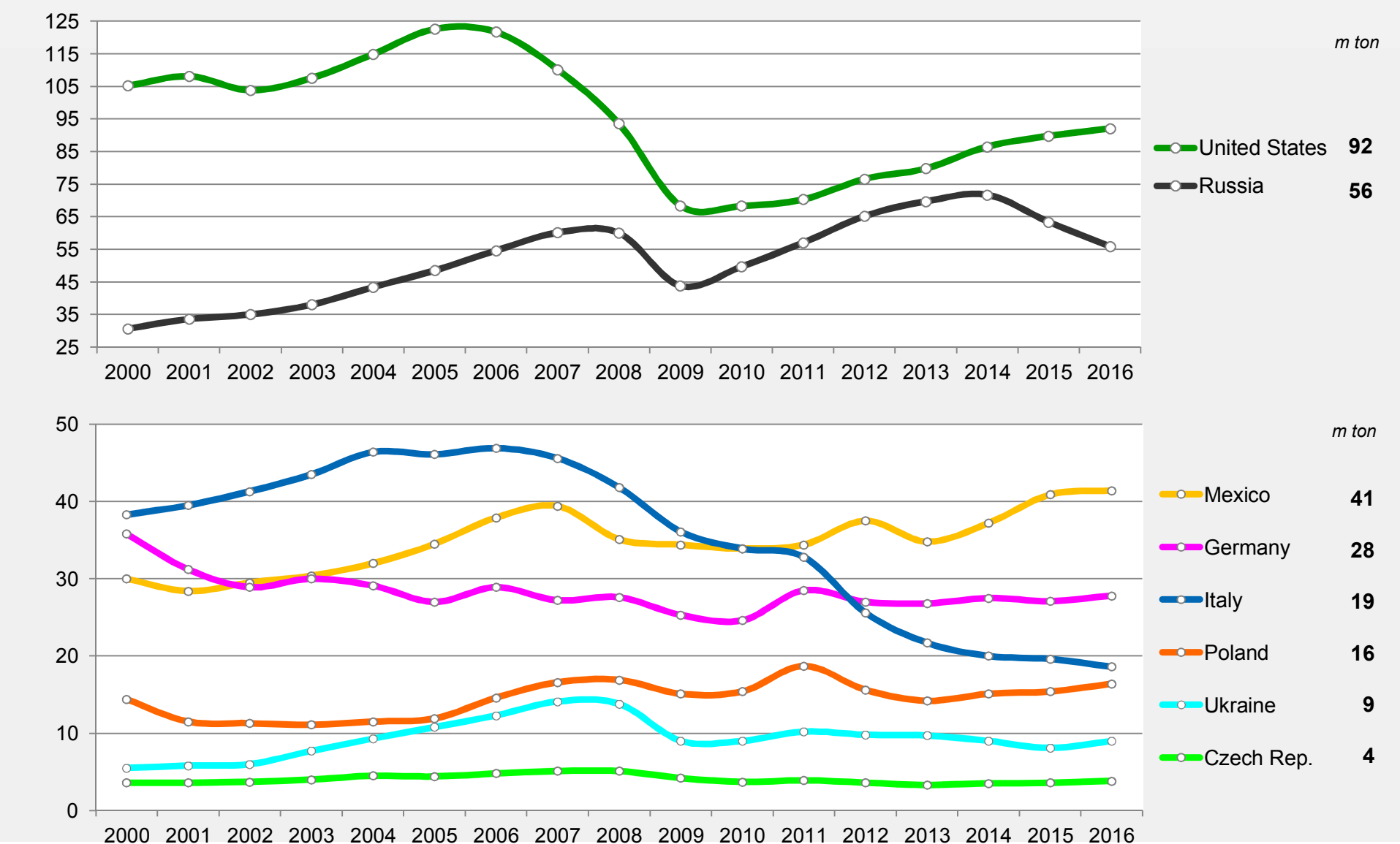
# Cement plants location and capacity






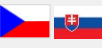





# 2016 Consumption vs. Peak



# Historical series of cement consumption by country



## Historical EBITDA development by country

EURm		2009	2010	2011	2012	2013	2014	2015	2016
 Italy	EBITDA	92.7	32.5	10.3	-5.9	-18.1	-18.7	-37.2	-22.2
	margin	13.1%	5.3%	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%
 Germany	EBITDA	116.3	76.3	90.3	72.2	108.1	88.6	72.1	76.8
	margin	22.0%	13.9%	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%
 Lux/ Netherlands	EBITDA	18.6	17.0	35.0	8.3	11.5	15.9	19.7	25.8
	margin	9.5%	8.3%	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%
 Czech Rep/ Slovakia	EBITDA	44.2	32.8	35.2	25.4	19.2	27.0	32.6	34.3
	margin	25.2%	20.5%	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%
 Poland	EBITDA	31.2	33.4	36.9	21.8	27.1	18.2	22.7	23.4
	margin	25.7%	25.8%	26.6%	20.0%	26.8%	20.4%	20.4%	24.6%
 Ukraine	EBITDA	-4.5	-10.5	6.9	15.8	12.3	11.0	4.0	12.8
	margin	-6.0%	-12.8%	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%
 Russia	EBITDA	42.1	39.7	65.7	96.1	92.6	73.4	48.4	43.2
	margin	42.6%	32.0%	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%
 USA	EBITDA	131.3	88.7	71.4	123.9	151.0	207.3	311.7	356.5
	margin	21.4%	14.8%	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%
 Mexico	EBITDA	69.9	77.2	82.6	97.5	77.5	Adoption of IFRS 11		
	margin	38.7%	36.2%	34.7%	36.2%	33.2%			
<b>Consolidated</b>	<b>EBITDA</b>	<b>541.7</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>margin</b>	<b>20.3%</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>