



MEDIOBANCA
SECURITIES

Italian CEOs Conference 2017

Milan – 28 June 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

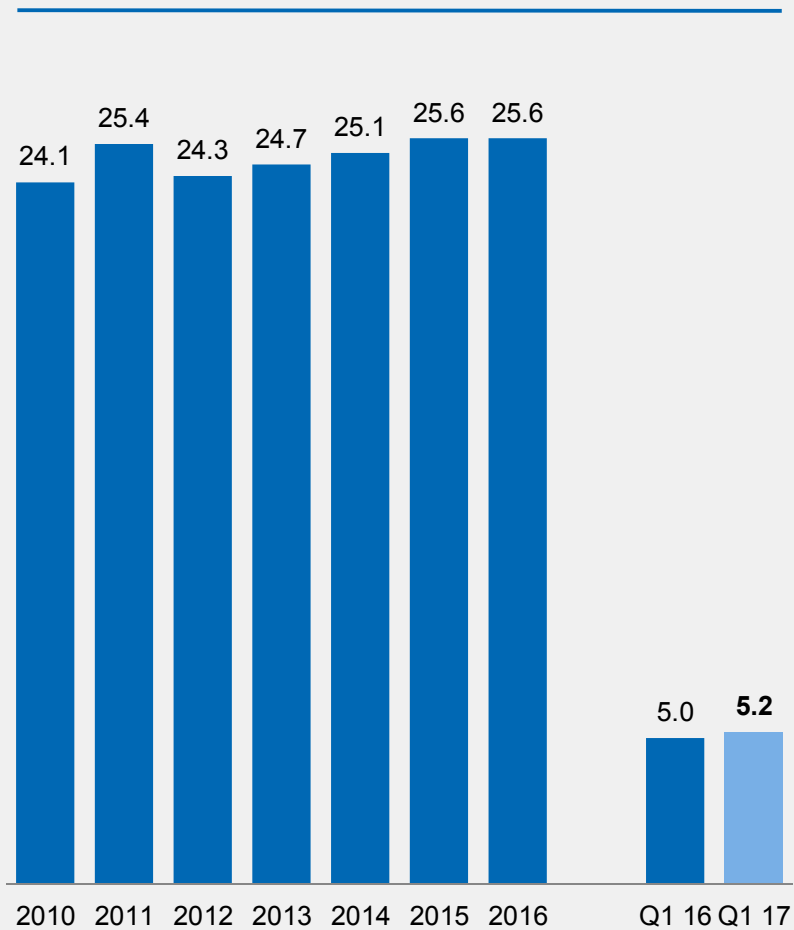
- Positive impact on sales (€m 16.8) due to a stronger dollar and ruble

▪ Results

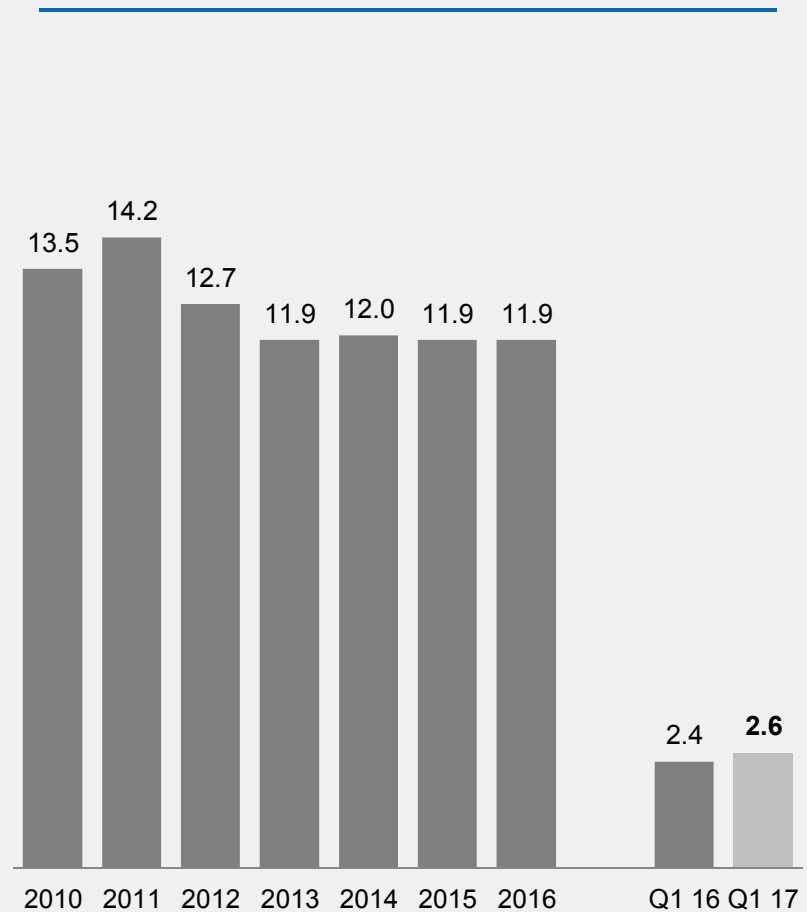
- Revenues at €m 588.5 versus €m 540.3 in Q1 2016
- Outlook confirmed for financial year 2017

Volumes Q1 2017







Cement (m ton)












Ready-mix concrete (m m3)



FX changes

		Q1 17	Q1 16	Δ	2016	current
EUR 1 =		avg	avg	%	avg	
	USD	1.07	1.10	+3.4	1.11	1.12
	RUB	62.52	82.45	+24.2	74.15	65.66
	UAH	28.84	28.35	-1.7	28.29	29.15
	CZK	27.02	27.04	+0.1	27.03	26.30
	PLN	4.32	4.37	+1.0	4.36	4.20
	MXN	21.62	19.90	-8.6	20.67	20.00

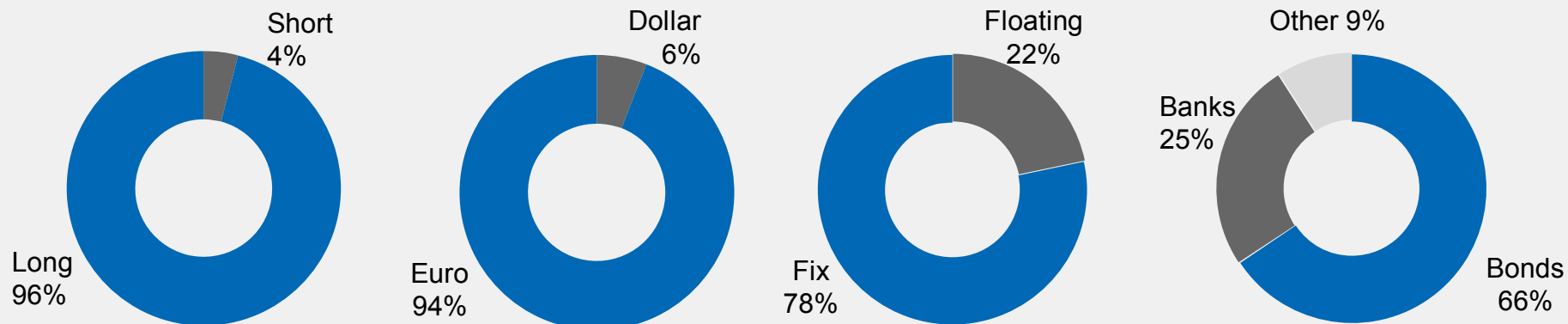
Net sales by country

	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)				
Total	588.5	540.3	48.1	+8.9	16.8	-	+5.8
 Mexico (100%)	171.8	143.1	28.7	+20.0	(14.8)	-	+30.4

Net Financial Position

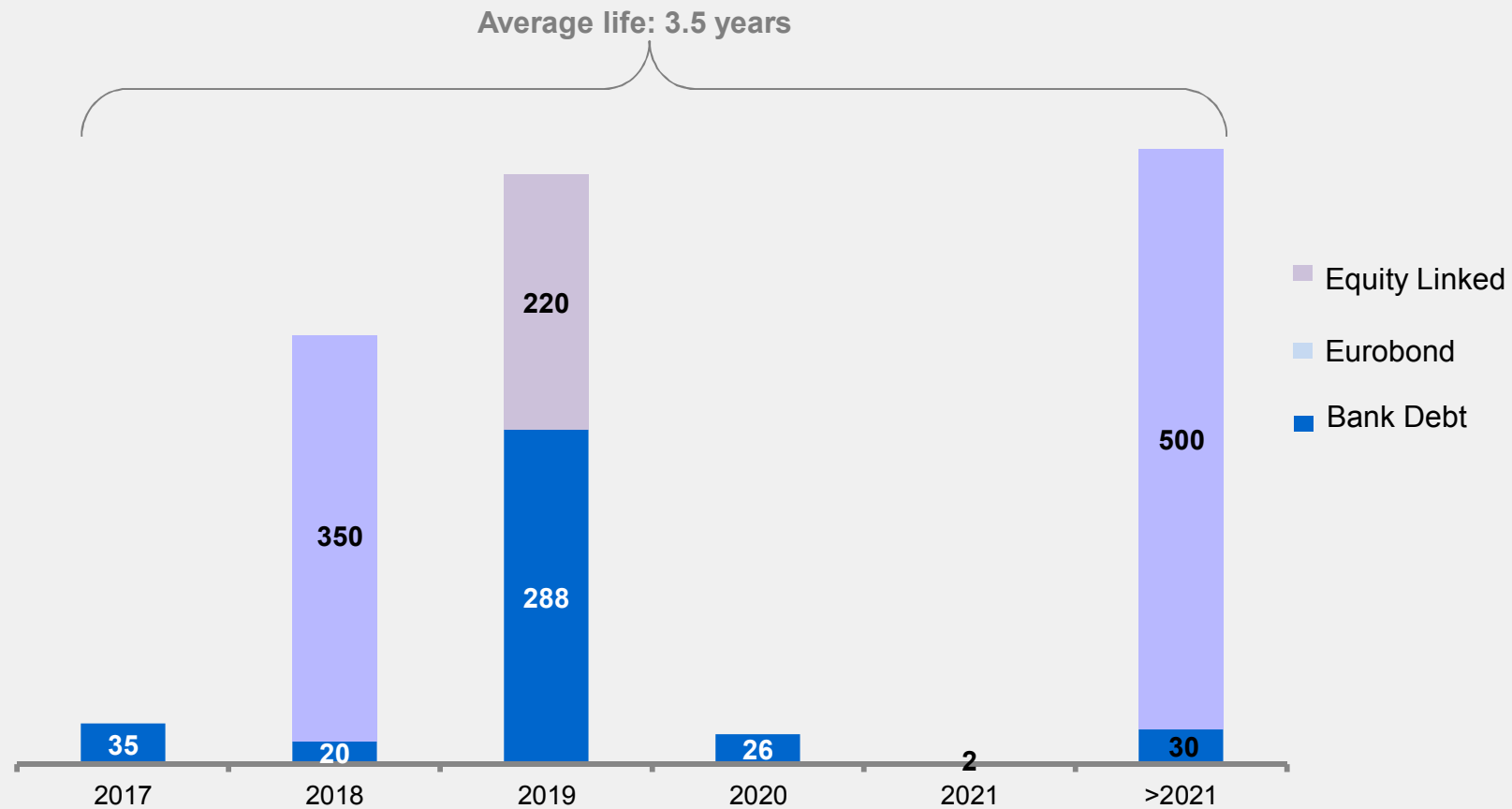
	Mar 17	Dec 16	Δ	Mar 16
EURm				
			abs	
Cash and other financial assets	605.2	609.6	(4.4)	439.1
Short-term debt	(64.8)	(75.8)	11.0	(545.1)
Net short-term cash	540.4	533.8	6.6	(106.0)
Long-term financial assets	13.0	13.2	(0.2)	16.2
Long-term debt	(1,533.3)	(1,488.6)	(44.7)	(1,008.2)
Net debt	(979.9)	(941.6)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

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)

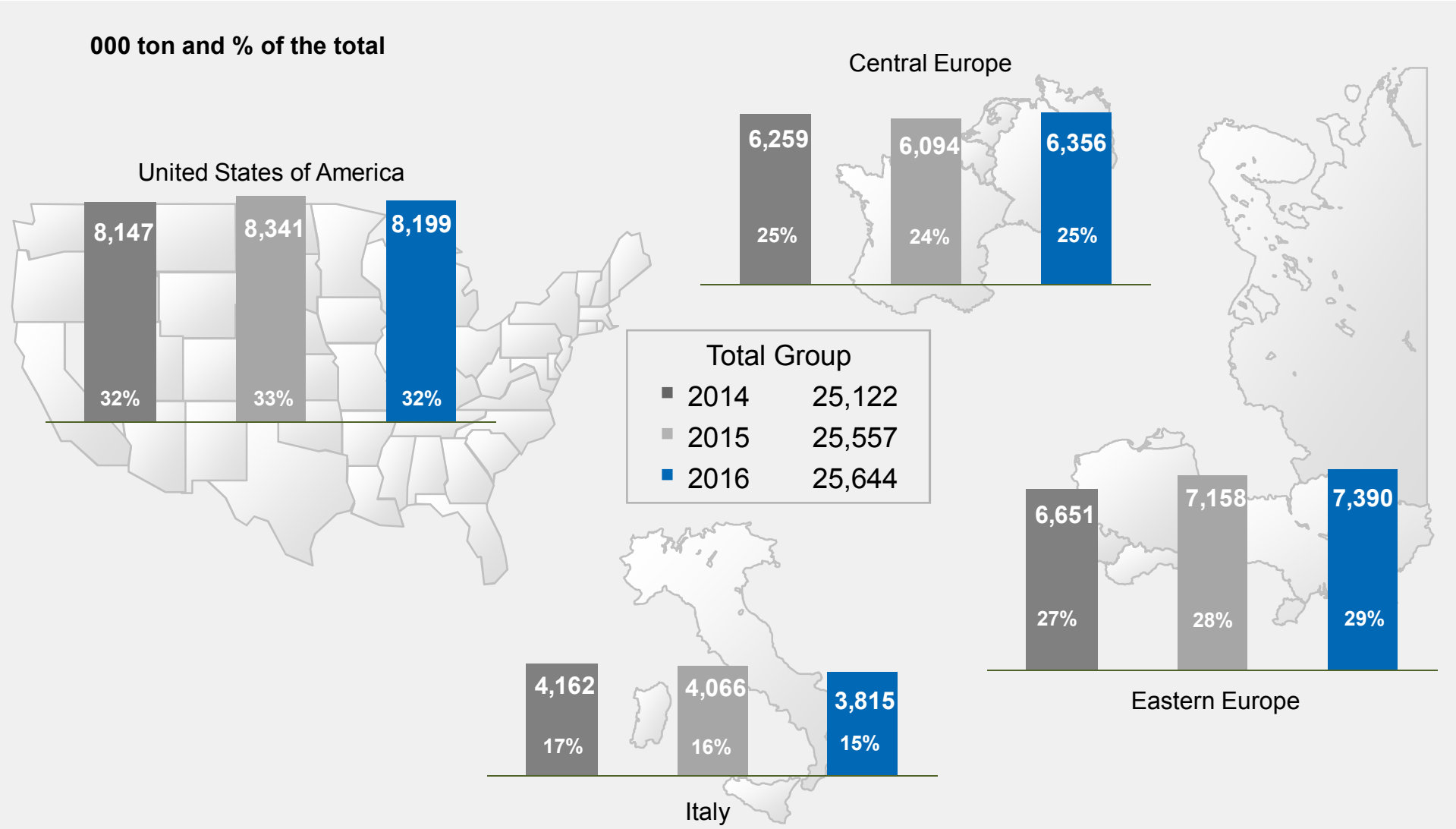


Expected trading in 2017

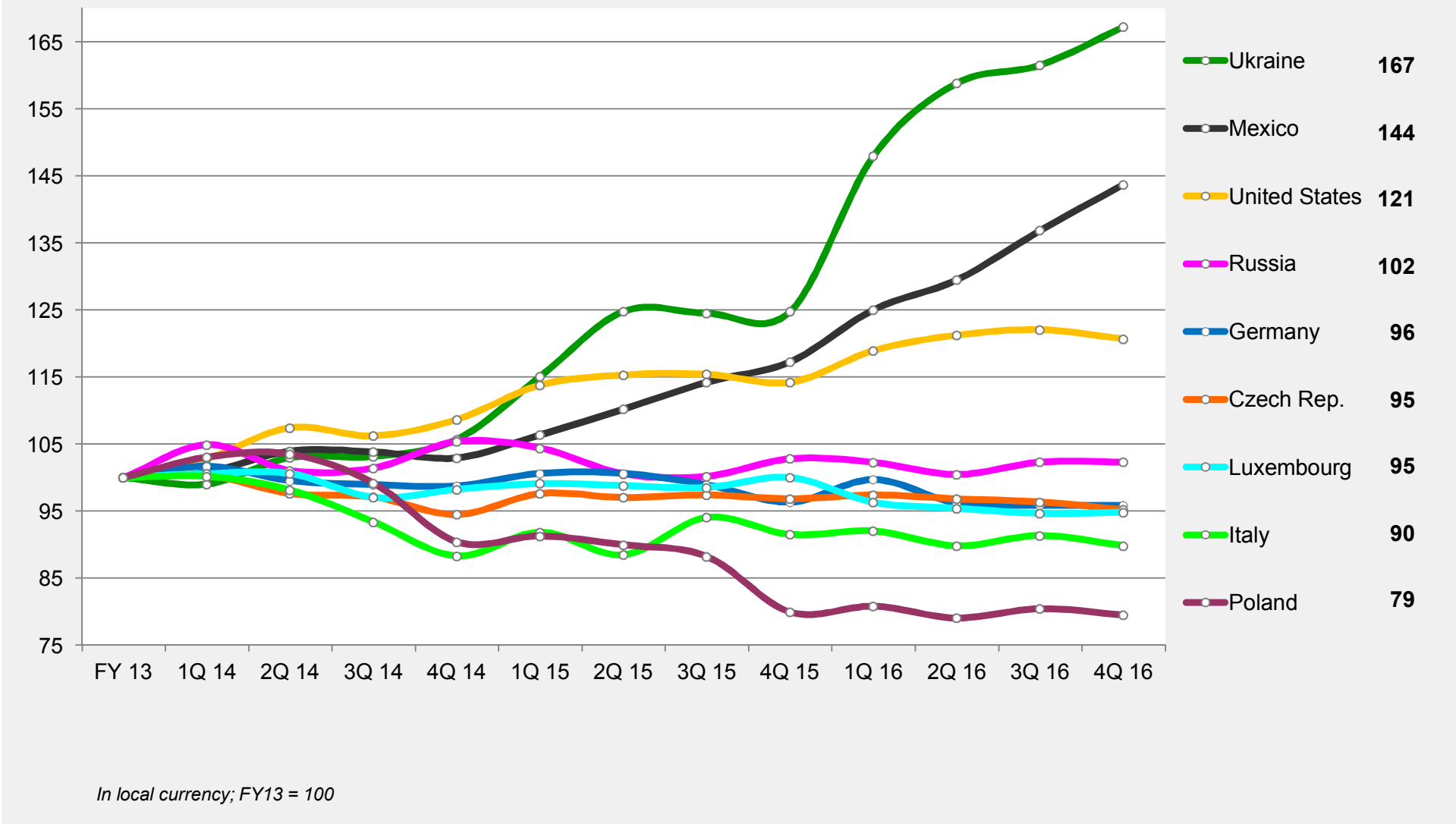
	Δ Volume	Δ Price
 Italy	=	+
 United States of America	+	+
 Germany	+	+
 Luxembourg	+	+
 Czech Republic	+	=
 Poland	+	+
 Ukraine	+	+
 Russia	=	+
 Mexico	+	+

Note: Prices in local currency










Cement volumes by geographical area



Price trends by country

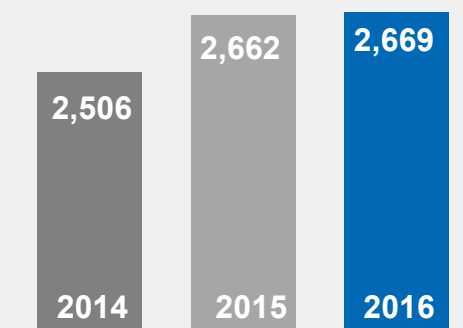


EBITDA by country

	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
Total	550.6	473.2	77.4	+16.4	(5.8)	(0.0)	+17.6
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

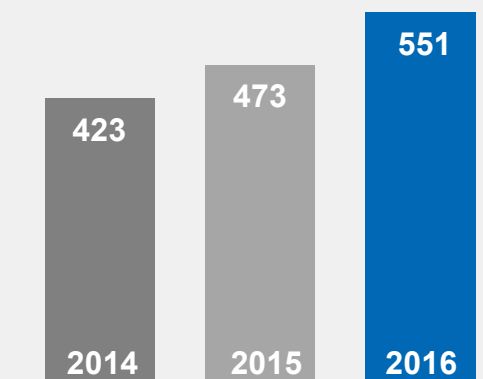
EURm Net sales



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

	2014	2015	2016
Δ YoY	-0.1	+6.2	+0.3
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

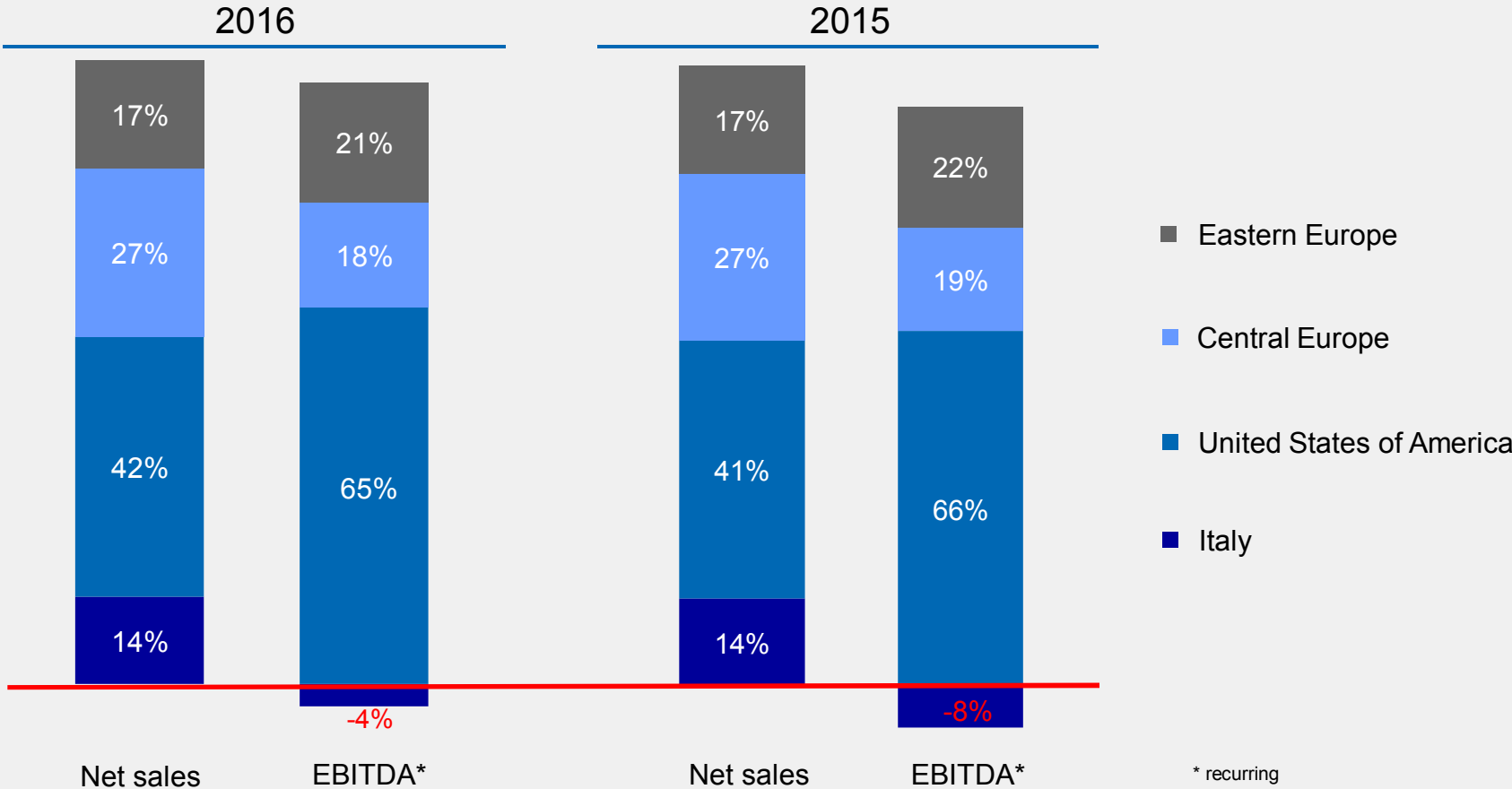


	14/13	15/14	16/15
	%	%	%

	2014	2015	2016
Δ YoY	+4.8	+11.9	+16.4
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 %
Net Sales	2,669.3	2,662.1	7.2	+0.3
EBITDA	550.6	473.2	77.4	+16.4
of which, non recurring	0.1	5.6		
% of sales (recurring)	20.6%	18.0%		
Depreciation and amortization	(202.6)	(209.2)	6.5	
Operating profit (EBIT)	348.0	264.0	84.0	+31.8
% of sales	13.0%	9.9%		
Equity earnings	80.1	63.2	16.9	
Net finance costs	(147.2)	(105.1)	(42.1)	
Profit before tax	280.9	222.1	58.8	+26.5
Income tax expense	(132.2)	(94.0)	(38.2)	
Net profit	148.7	128.1	20.6	+16.1
Minorities	(2.8)	(2.8)		
Consolidated net profit	145.9	125.3	20.5	+16.4
Cash flow ⁽¹⁾	351.3	337.3	14.0	+4.2

(1) Net Profit + amortization & depreciation

Consolidated Cash Flow Statement

EURm	FY 16	FY 15
Cash generated from operations	467.5	444.9
% of sales	17.5%	16.7%
Interest paid	(61.5)	(74.9)
Income tax paid	(101.8)	(68.4)
Net cash by operating activities	304.1	301.6
% 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
Change in net debt	88.2	33.0
Net financial position (end of period)	(941.6)	(1,029.7)

Recent strategic move: Zillo acquisition 1/4

RATIONALE

- 1- Active role in the consolidation process of the domestic industry
- 2- Strengthening presence and domestic market share
- 3- Positive impact on Buzzi Unicem's profitability
- 4- Expected integration synergies
- 5- Consolidation in the sector offer



- Leading industrial group, founded in 1882 and focused on the cement and ready-mix concrete industry in the North-East of Italy
- 2 full-cycle cement plants (market share estimated at 5%) and about 40 batching plants
- About 1.1 m ton cement sales in 2016

Recent strategic move: Zillo acquisition 2/4

- On June 16, 2017 Buzzi Unicem has signed a mandatory agreement to buy 100% of the share capital of Cementizillo
- The agreement provides for the purchase of 2 full-cycle cement plants (Fanna (PN) and Monselice (PD)) and about 40 batching plants in the North-East of Italy
- The agreed amount for the share purchase of Cementizillo foresees a fixed portion, equal to €m 60 plus 450,000 Buzzi Unicem ordinary shares, already in treasury, and a variable portion that may range from a minimum of € 0 to a maximum of €m 21, depending on the trend of the average cement price achieved by Buzzi Unicem in Italy in the years from 2017 to 2020
- Payment: €m22.6, paid on June 16, 2017, for the minority stake (48%); payment of the 52% will be made for €m 19 at the closing date together with the transfer of the 450,000 Buzzi Unicem ordinary shares; for €m 3.4 120 days after the closing date; for €m 7.5 one year after the closing date and for another €m 7.5 three years after the closing date

Recent strategic move: Zillo acquisition 3/4

- In 2016, Zillo's cement and clinker sales came in at approximately 1.1 m tons and ready-mix concrete volumes amounted to about 440,000 cubic meters
- Consolidated 2016 net sales of Zillo stood at €m 90 and EBITDA at €m 10 (of which €m 5 non-recurring). Ebit was negative for €m 4 and the company closed the year with a loss of €m 6. At 31 December 2016 net debt amounted to €m 46.

Recent strategic move: Zillo acquisition 4/4



Fanna (PN)

Monselice (PD)

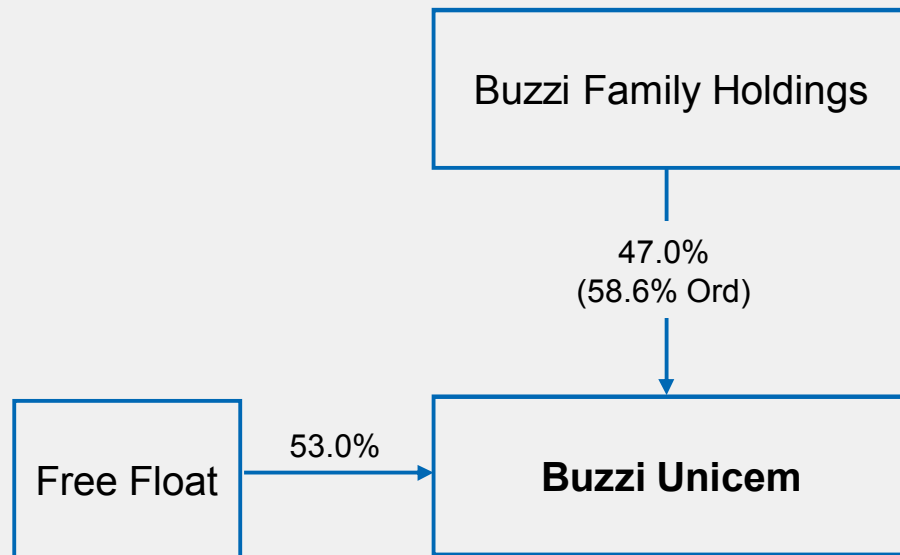
Appendix

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

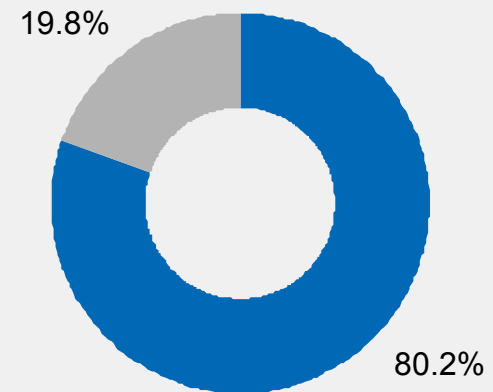
“Value creation through lasting, experienced know-how and operating efficiency”

Ownership structure



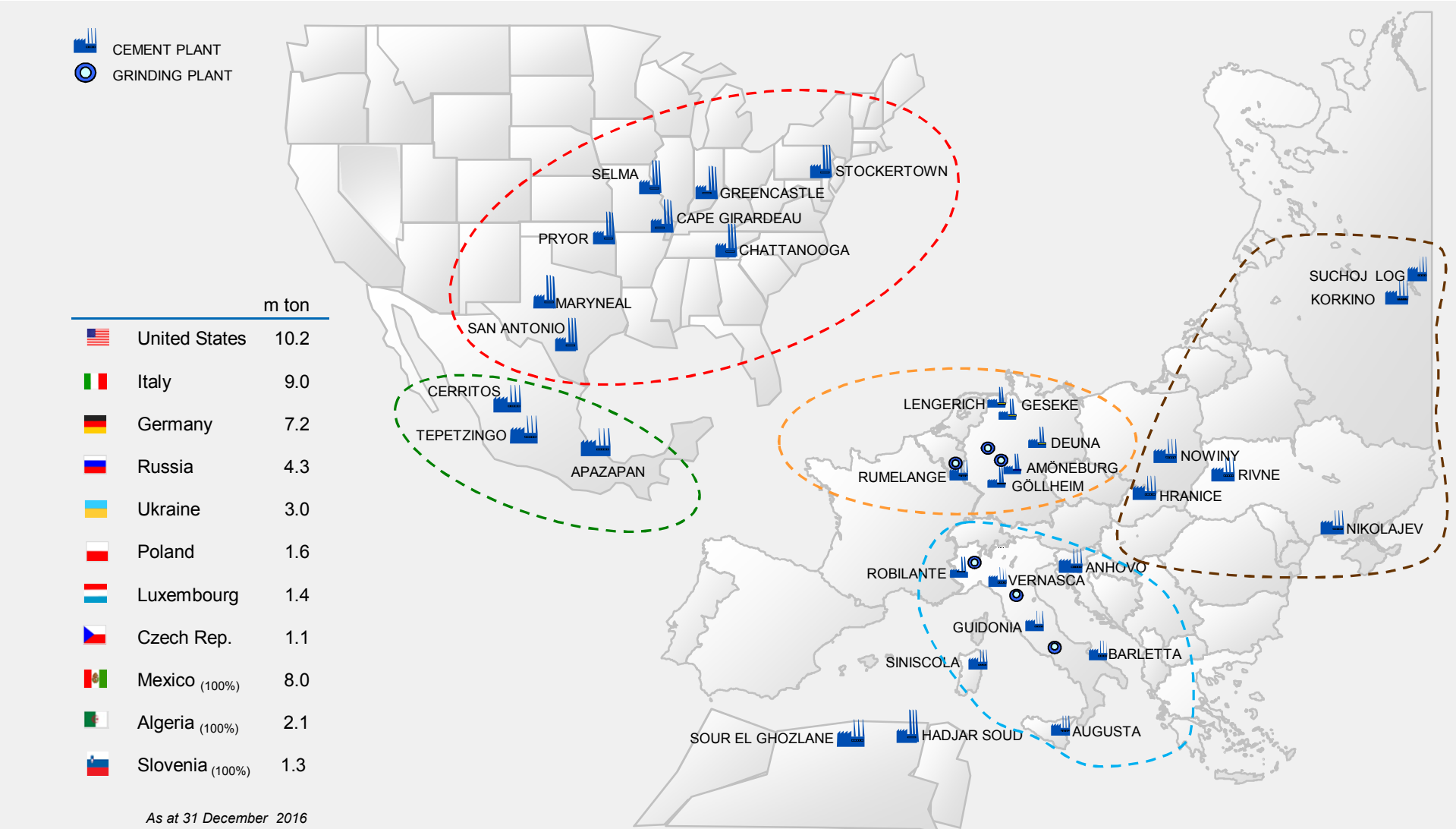
Share capital

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



As at 31 December 2016

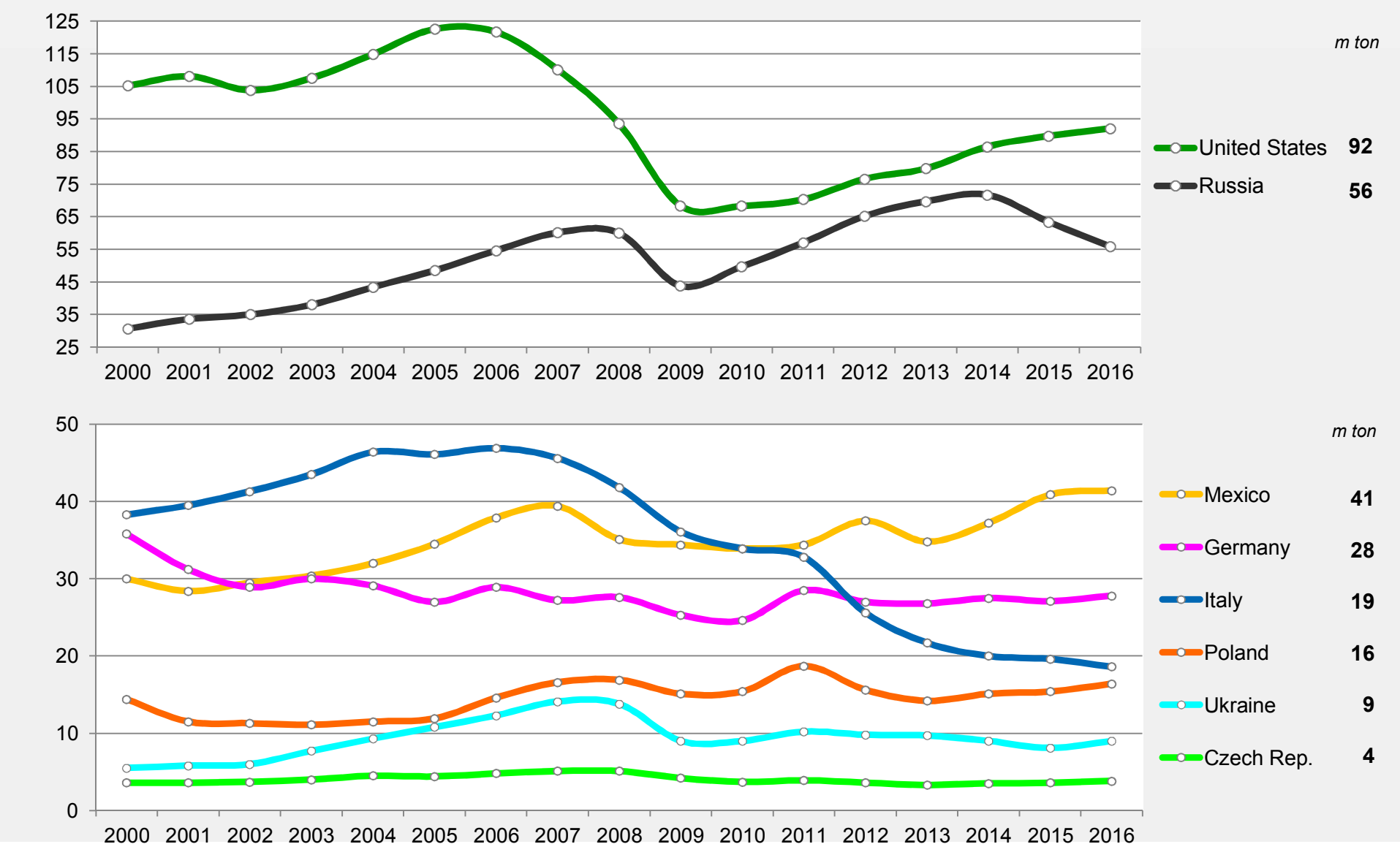
Cement plants location and capacity












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%			
Consolidated	EBITDA	541.7	387.0	434.3	455.1	481.2	422.7	473.2	550.6
	margin	20.3%	14.6%	15.6%	16.2%	17.5%	16.9%	17.8%	20.6%