



MEDIOBANCA  
SECURITIES

## Italian CEOs Conference

Milan – 25 June 2019

# Executive summary Q1 2019

## ▪ Volumes

- Favorable weather in 1Q 19 and easy comparison with 1Q 18 (quarter impacted by adverse weather, particularly in the USA, and less working days): cement up 16.9% and ready-mix concrete +7.3%
- Italy: nice improvement for cement over 2018 and stable ready-mix
- United States: volumes up; good start to the year for ready mix concrete
- Central Europe: strong cement volumes in Germany; Luxembourg almost flat; ready mix concrete favorable in Germany and well ahead in Lux/Ned
- Eastern Europe: cement up, with robust progress realized in Poland, Ukraine and Russia; ready mix concrete down

## ▪ Prices

- Q1 vs Q1: no changes in Germany and favorable trends in all other markets
- Q1 19 neutral or above Q4 18 in all regions except a marginal weakness in Russia

## ▪ Foreign Exchange

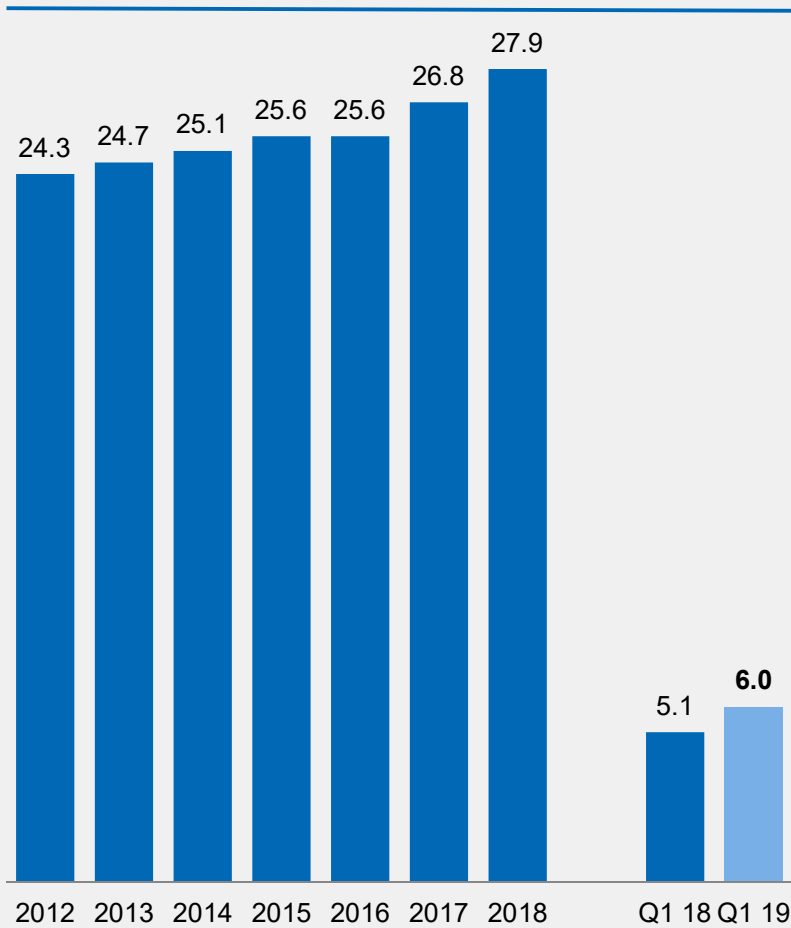
- Positive impact on sales (€m 16.8) mainly due to stronger dollar, partially offset by weaker ruble

## ▪ Results

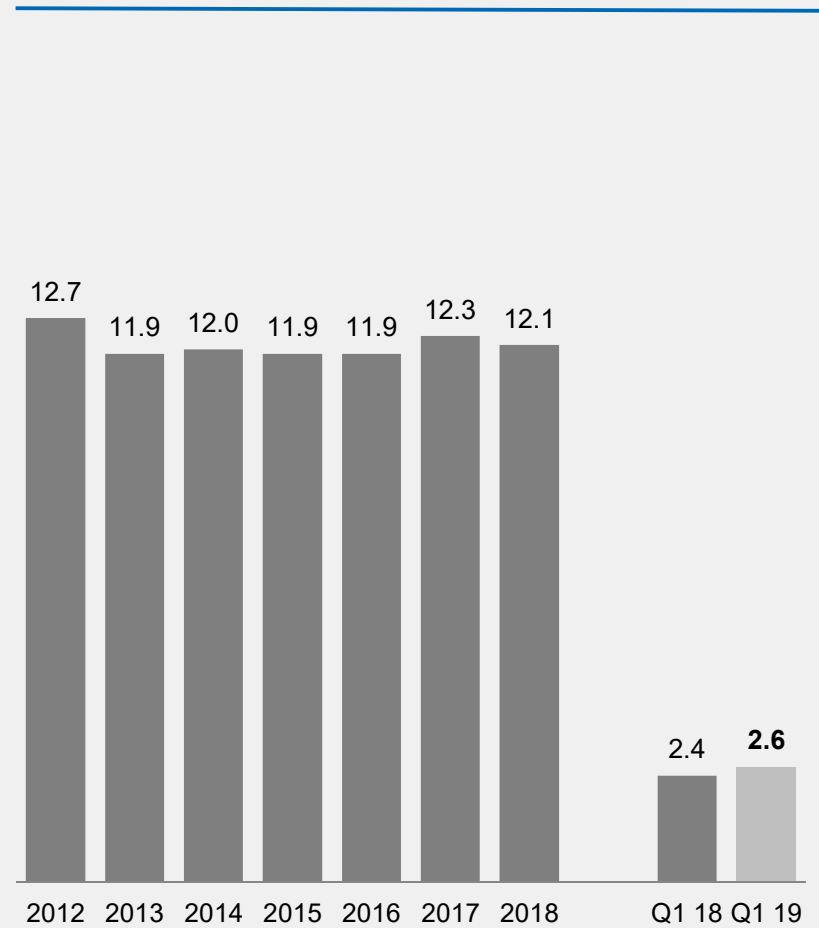
- Net sales at €m 656 (€m 539 in 2018), +17.6% like-for-like
- Net debt at €m 1,034 versus €m 891 at year end 2017 (€m 91 IFRS 16 impact)

# Volumes Q1 2018

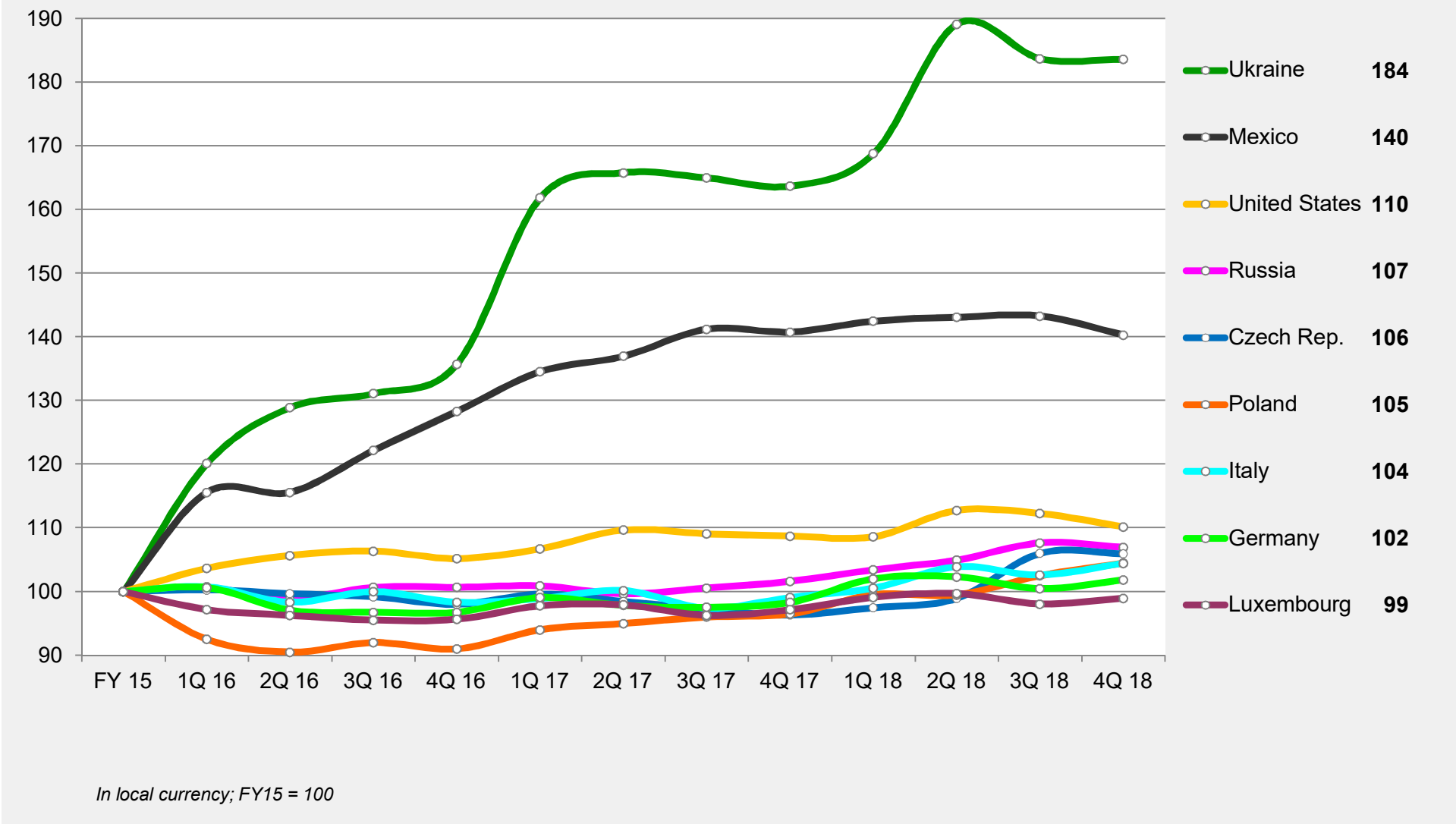
## Cement (m ton)




## Ready-mix concrete (m m3)



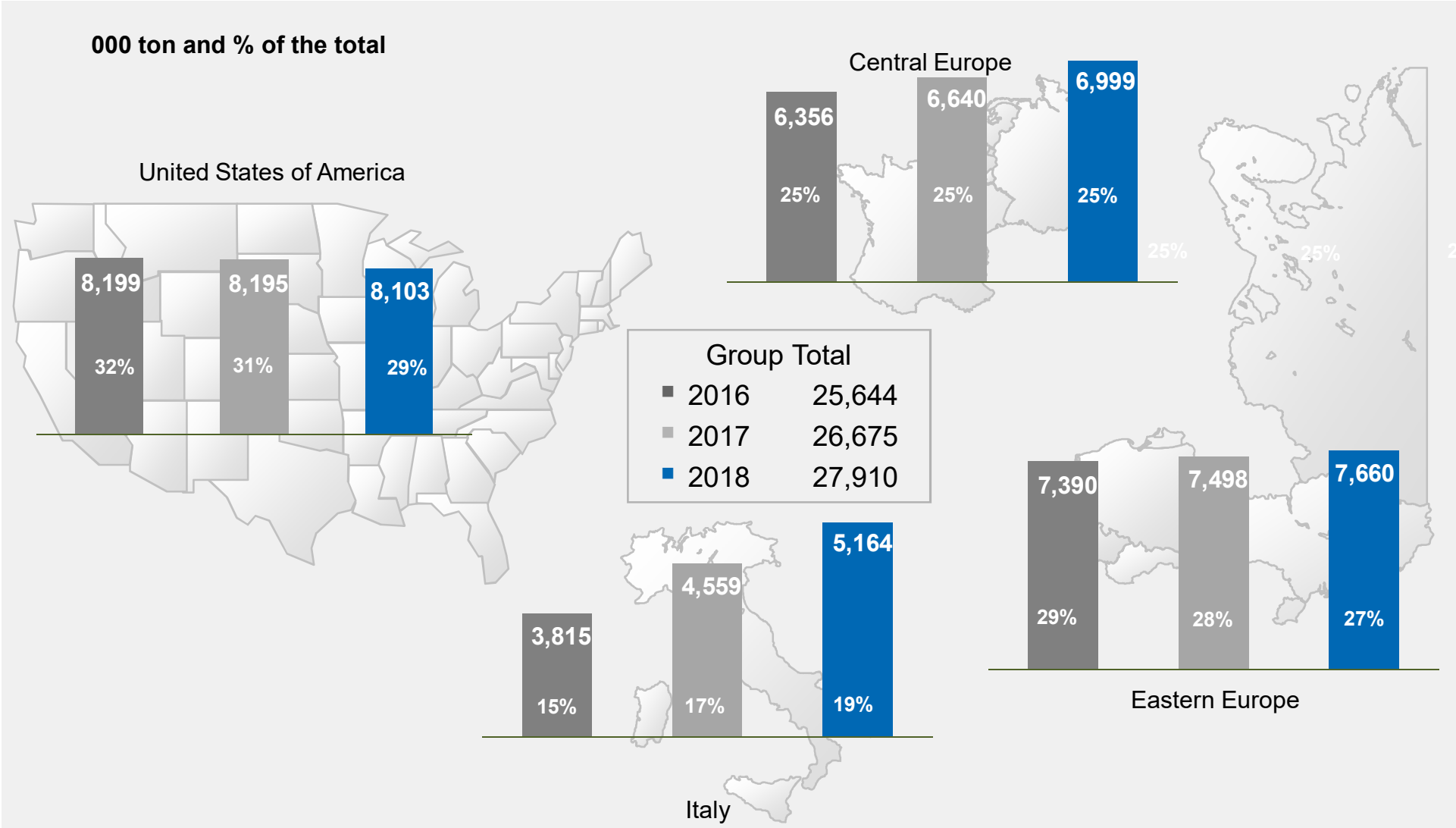
# Price index by country





## FX changes

		Q1 19	Q1 18	Δ	2018	current
EUR 1 =		avg	avg	%	avg	
	USD	1.14	1.23	+7.6	1.18	1.12
	RUB	74.91	69.93	-7.1	74.04	72.14
	UAH	31.02	33.56	+7.6	32.11	29.98
	CZK	25.68	25.40	-1.1	25.65	25.55
	PLN	4.30	4.18	-2.9	4.26	4.26
	MXN	21.81	23.04	+5.3	22.71	21.68
	BRL	4.28	3.99	-7.2	4.31	4.36










# Cement volumes by geographical area



## Net sales by country

	Q1 19	Q1 18	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	119.6	103.0	16.6	+16.1	-	-	+16.1
 United States	252.8	205.9	46.9	+22.8	19.2	-	+13.5
 Germany	137.1	110.3	26.9	+24.4	-	5.3	+19.6
 Lux/Netherlands	43.5	39.0	4.6	+11.8	-	-	+11.8
 Czech Rep/Slovakia	28.5	26.9	1.6	+6.0	(0.3)	-	+7.0
 Poland	23.4	16.5	6.9	+41.8	(0.7)	-	+46.0
 Ukraine	18.5	11.7	6.9	+58.8	1.4	-	+46.7
 Russia	40.2	32.7	7.5	+23.0	(2.9)	-	+31.7
<i>Eliminations</i>	(7.8)	(6.8)	(1.0)				
<b>Total</b>	<b>656.0</b>	<b>539.1</b>	<b>116.9</b>	<b>+21.7</b>	<b>16.8</b>	<b>5.3</b>	<b>+17.6</b>
 Mexico (100%)	150.5	151.1	(0.6)	-0.4	8.0	-	-5.7
 Brazil (100%)	33.3	34.9	(1.6)	-4.5	(2.4)	-	+2.4

## EBITDA by country

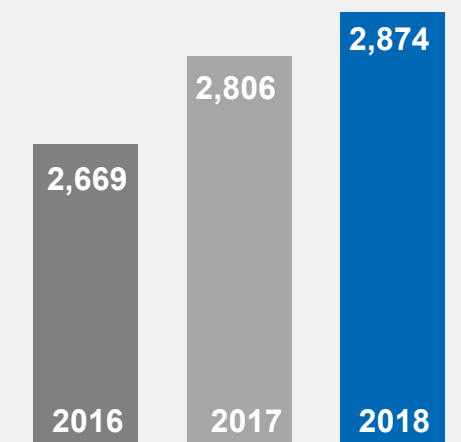
	2018	2017	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	(1.7)	(79.7)	77.9	+97.8	-	4.8	+91.8
 USA	341.2	369.6	(28.4)	-7.7	(15.5)	-	-3.5
 Germany	82.5	77.9	4.5	+5.8	-	(5.9)	+13.4
 Lux/Netherlands	23.1	17.6	5.5	+31.4	-	-	+31.4
 Czech Rep/Slovakia	43.6	36.6	7.0	+19.2	1.1	-	+16.1
 Poland	31.9	24.2	7.6	+31.5	0.0	-	+31.6
 Ukraine	7.0	16.0	(9.0)	-56.0	(0.5)	-	-52.9
 Russia	50.1	46.0	4.1	+9.0	(6.2)	-	+22.3
<i>Eliminations</i>	(0,4)	(0,1)	(0.3)				
<b>Total</b>	<b>577.2</b>	<b>508.2</b>	<b>69.0</b>	<b>+13.6</b>	<b>-21.1</b>	<b>(1.1)</b>	<b>+18.0</b>
recurring	568.5	576.4	(7.9)	-1.4	-21.5	(1.1)	+2.6
 Mexico (100%)	289.0	329.3	(40.3)	-12.2	(18.7)	-	-6.6



# Key economics indicators

EURm

Net sales

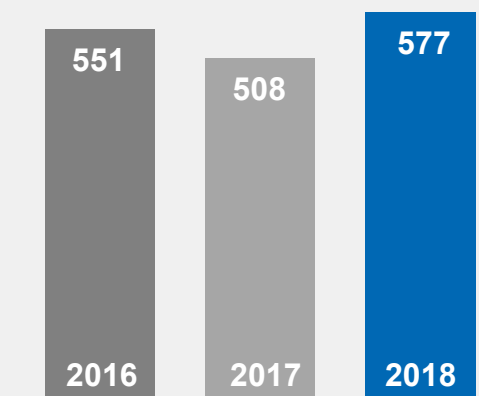


	16/15	17/16	18/17
	%	%	%

<b>Δ YoY</b>	<b>+0.3</b>	<b>+5.1</b>	<b>+2.4</b>
Δ operations	+1.7	+3.7	+3.2
Δ foreign exchange	-1.0	-0.2	-2.7
Δ scope	-0.4	+1.6	+1.9

EURm

EBITDA

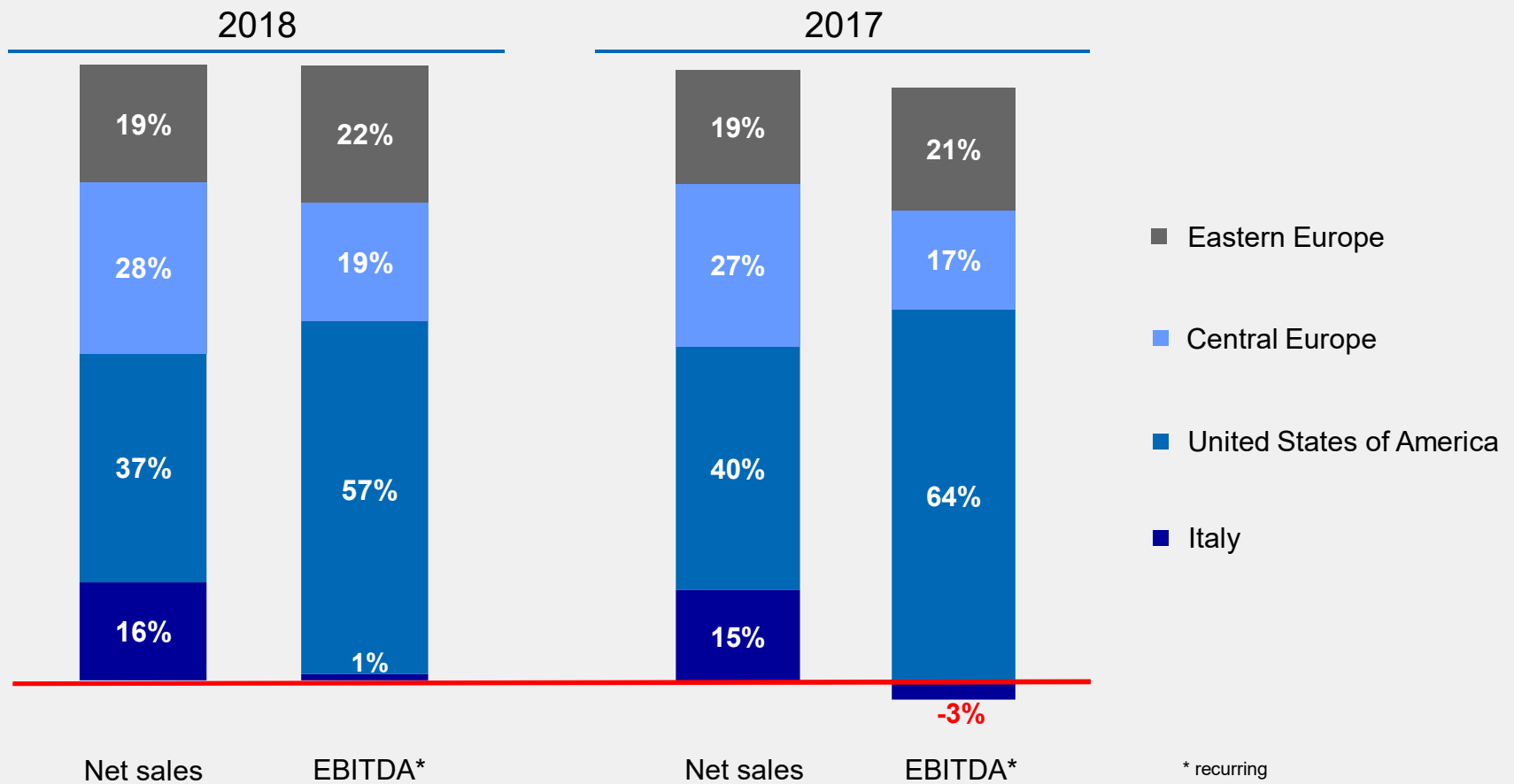


	16/15	17/16	18/17
	%	%	%

<b>Δ YoY</b>	<b>+16.4</b>	<b>-7.7</b>	<b>+13.6</b>
Δ operations	+17.6	-8.2	+18.0
Δ foreign exchange	-1.2	-0.3	-4.2
Δ scope	0.0	+0.8	-0.2

# Net sales and EBITDA development

- Italy improving, thanks to Zillo contribution, and, at long last, positive
- USA drops under 2/3 of the consolidated EBITDA
- Favorable trend in Central and Eastern Europe



# Consolidated Income Statement

EURm	2018	2017	Δ abs	Δ %
<b>Net Sales</b>	<b>2,873.5</b>	<b>2,806.2</b>	<b>67.2</b>	<b>+2.4</b>
<b>EBITDA</b>	<b>577.2</b>	<b>508.2</b>	<b>69.0</b>	<b>+13.6</b>
of which, non recurring	8.7	(68.2)		
% of sales (recurring)	19.8%	20.5%		
Depreciation and amortization	(225.4)	(222.1)	(3.2)	
<b>Operating profit (EBIT)</b>	<b>351.8</b>	<b>286.0</b>	<b>65.8</b>	<b>+23.0</b>
% of sales	12.2%	10.2%		
Equity earnings	88.7	97.7	(9.0)	
Net finance costs	24.7	(35.0)	59.8	
<b>Profit before tax</b>	<b>465.3</b>	<b>348.7</b>	<b>116.6</b>	<b>+33.4</b>
Income tax expense	(82.5)	45.9	128.4	
<b>Net profit</b>	<b>382.8</b>	<b>394.6</b>	<b>(11.8)</b>	<b>-3.0</b>
Minorities	(0.6)	(3.0)		
<b>Consolidated net profit</b>	<b>382.1</b>	<b>391.6</b>	<b>(9.5)</b>	<b>-2.4</b>

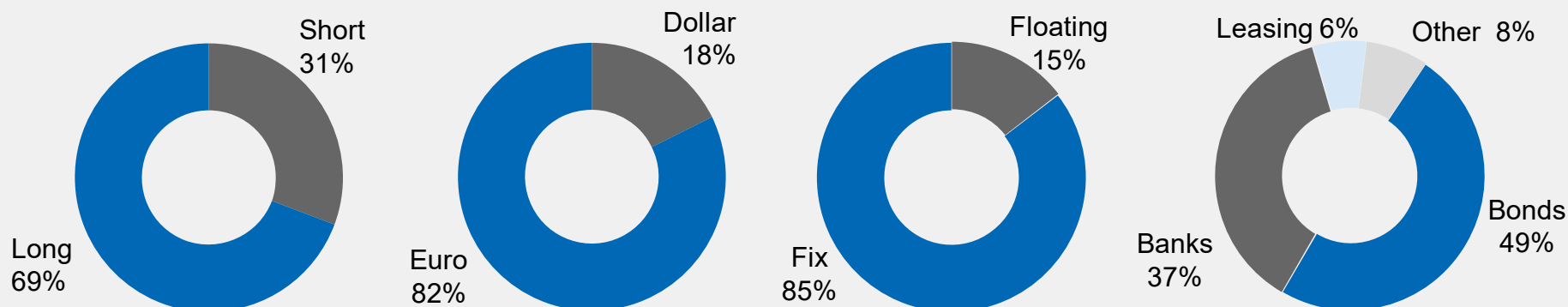
## Consolidated Cash Flow Statement

EURm	2018	2017
<b>Cash generated from operations</b>	<b>453.4</b>	<b>506.6</b>
% of sales	15.8%	18.1%
Interest paid	(45.4)	(43.9)
Income tax paid	(76.4)	(91.9)
<b>Net cash by operating activities</b>	<b>331.6</b>	<b>370.8</b>
% of sales	11.5%	13.2%
Capital expenditures	(215.3)	(183.7)
Equity investments	(228.5)	(33.9)
Purchase of treasury shares	(118.7)	
Dividends paid	(28.6)	(22.0)
Dividends from associates	80.9	85.3
Disposal of fixed assets and investments	45.2	12.5
Translation differences and derivatives	90.1	(40.2)
Accrued interest payable	3.5	(1.4)
Interest received	14.4	9.7
Contingent liabilities		(61.5)
Change in consolidation area and other	(2.6)	(56.4)
<b>Change in net debt</b>	<b>(28.0)</b>	<b>(79.1)</b>
<b>Net financial position (end of period)</b>	<b>(890.5)</b>	<b>(862.5)</b>































# Net Financial Position

	Mar 19	Dec 18	Δ	Mar 18
<b>EURm</b>			abs	
Cash and other financial assets	420.2	450.7	(30.4)	752.3
Short-term debt	(433.2)	(387.1)	(46.1)	(429.1)
Short-term leasing	(22.9)	(0.2)	(22.7)	(0.3)
<b>Net short-term cash</b>	<b>(35.8)</b>	<b>63.4</b>	<b>(99.2)</b>	<b>322.9</b>
Long-term financial assets	4.7	4.3	0.4	3.1
Long-term debt	(934.6)	(956.4)	21.9	(1,220.4)
Long-term leasing	(67.8)	(1.7)	(66.1)	(1.9)
<b>Net debt</b>	<b>(1,033.5)</b>	<b>(890.5)</b>	<b>(143.0)</b>	<b>(896.2)</b>

## Gross debt breakdown (€m 1,458.4)



# Expected trading in 2019

	$\Delta$ Volume	$\Delta$ Price
 Italy		
 United States of America		
 Germany		
 Luxembourg		
 Czech Republic		
 Poland		
 Ukraine		
 Russia		
 Mexico		
 Brazil		

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), 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

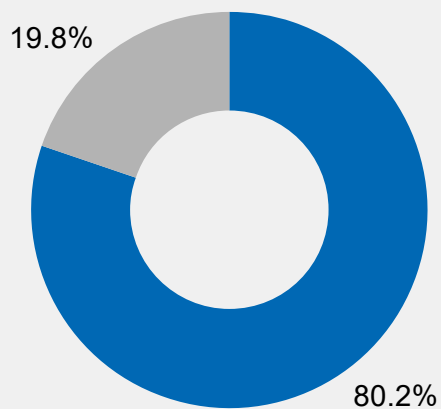
***“Value creation through lasting, experienced know-how and operating efficiency”***



# Shares & Shareholders

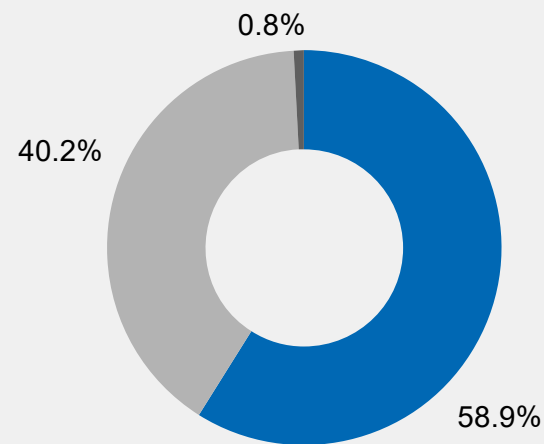
## Share Capital

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



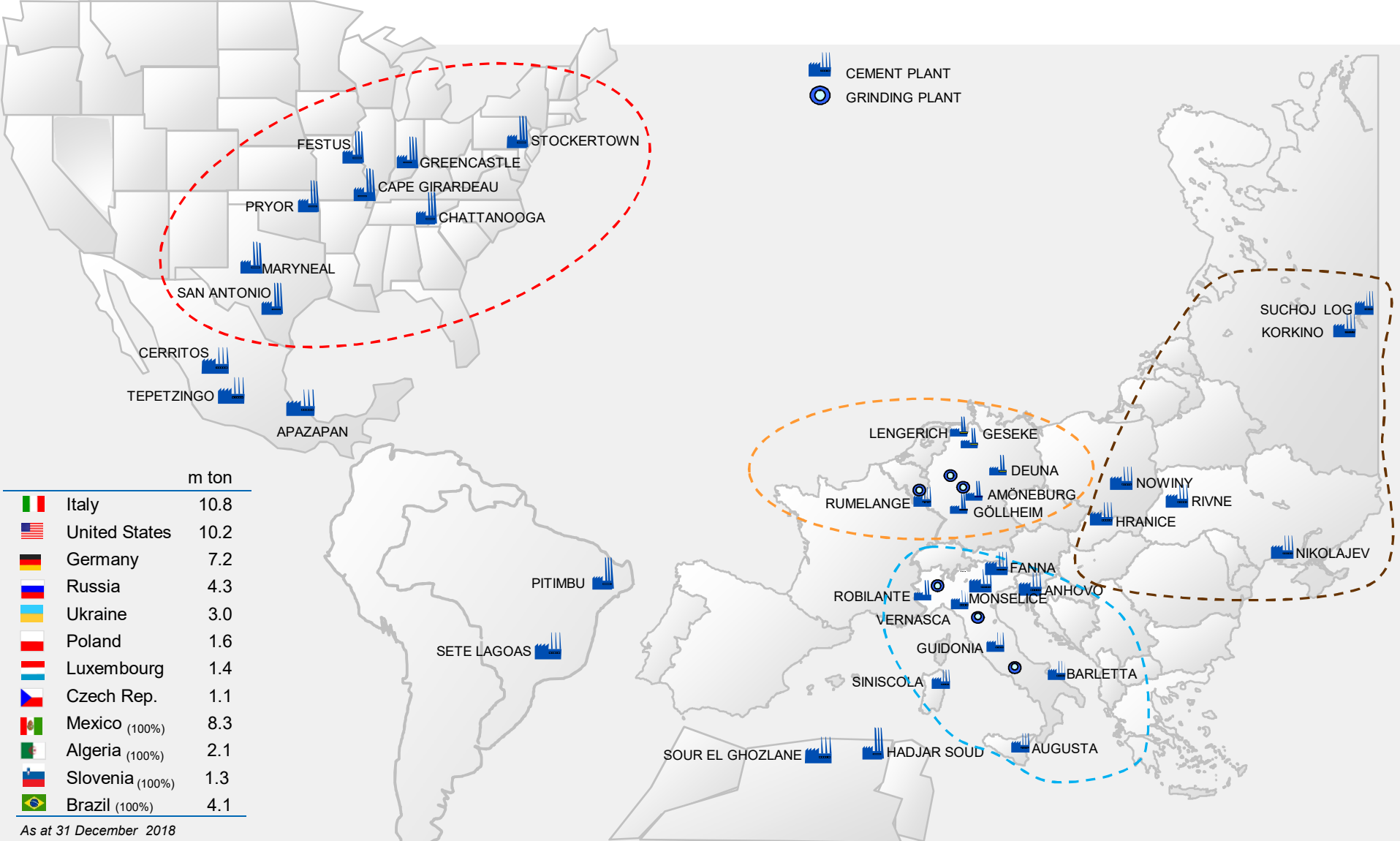
## Common Shares

• Buzzi holdings	97,450,000
• Free float	66,529,106
• Treasury shares	1,370,043

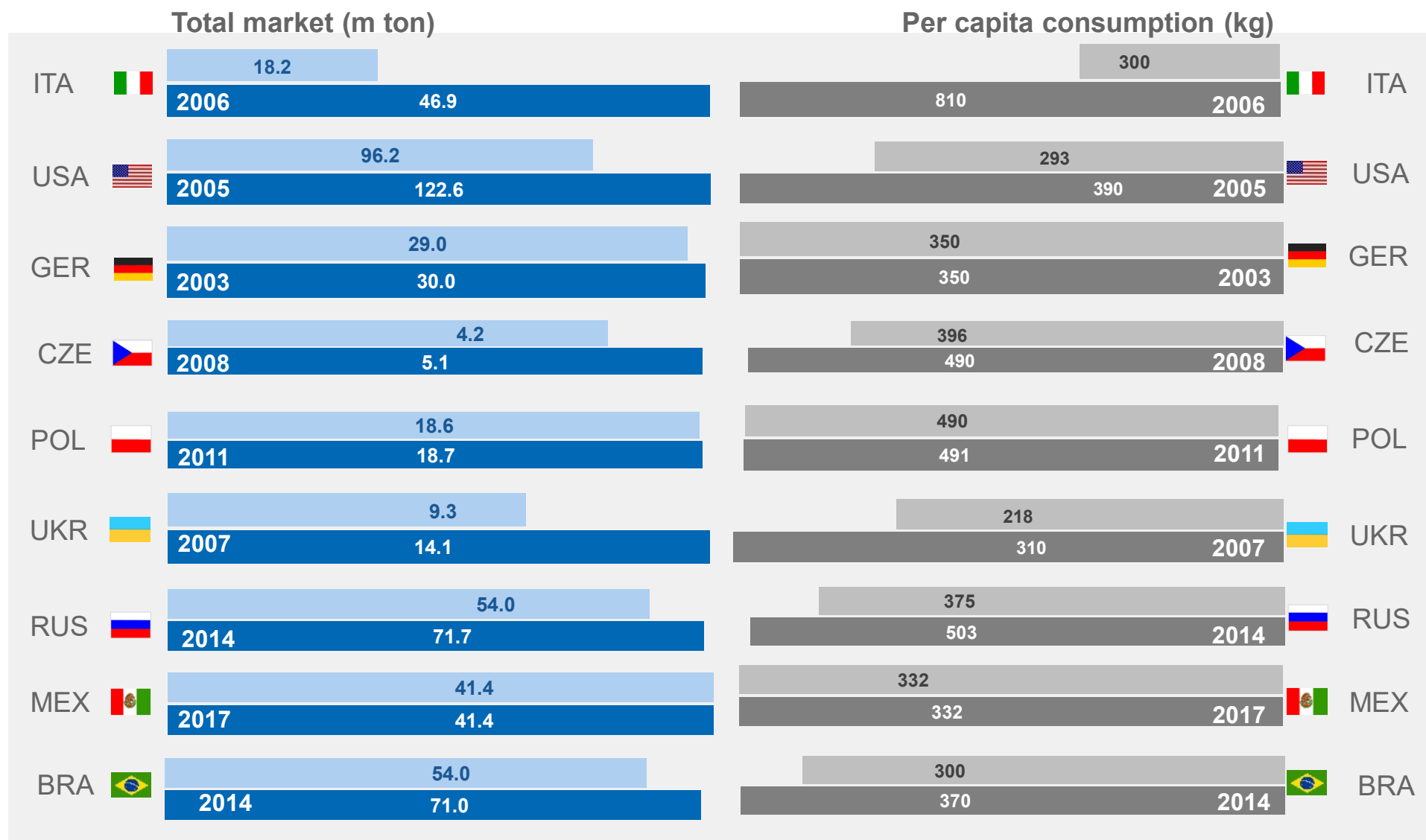


As at 31 May 2019

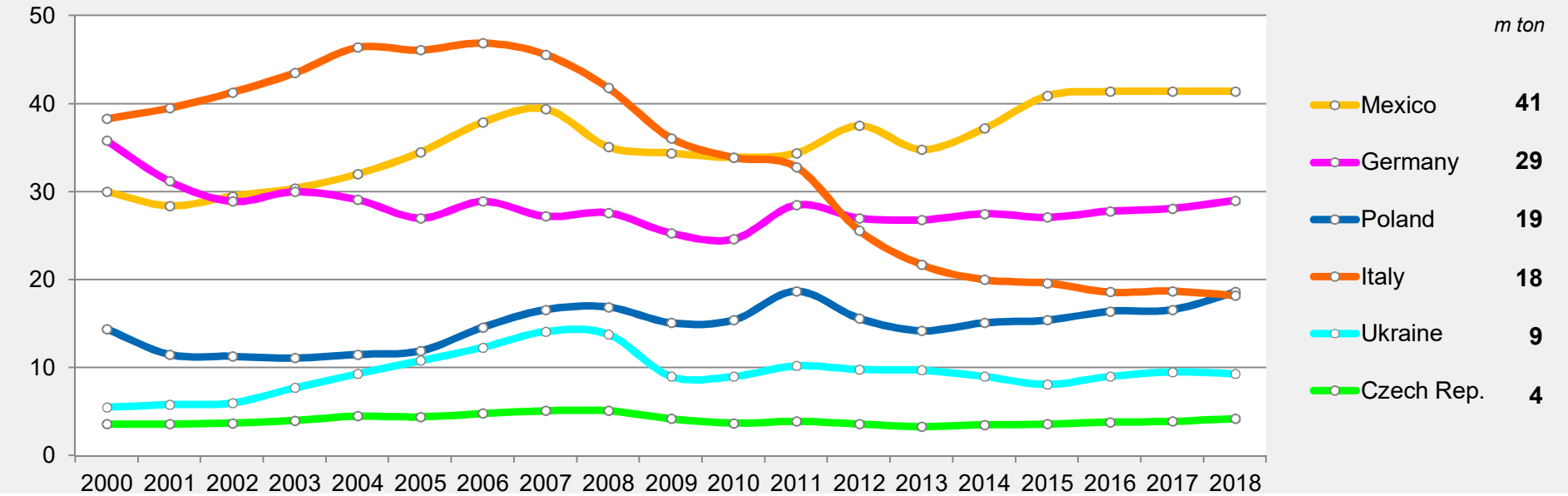
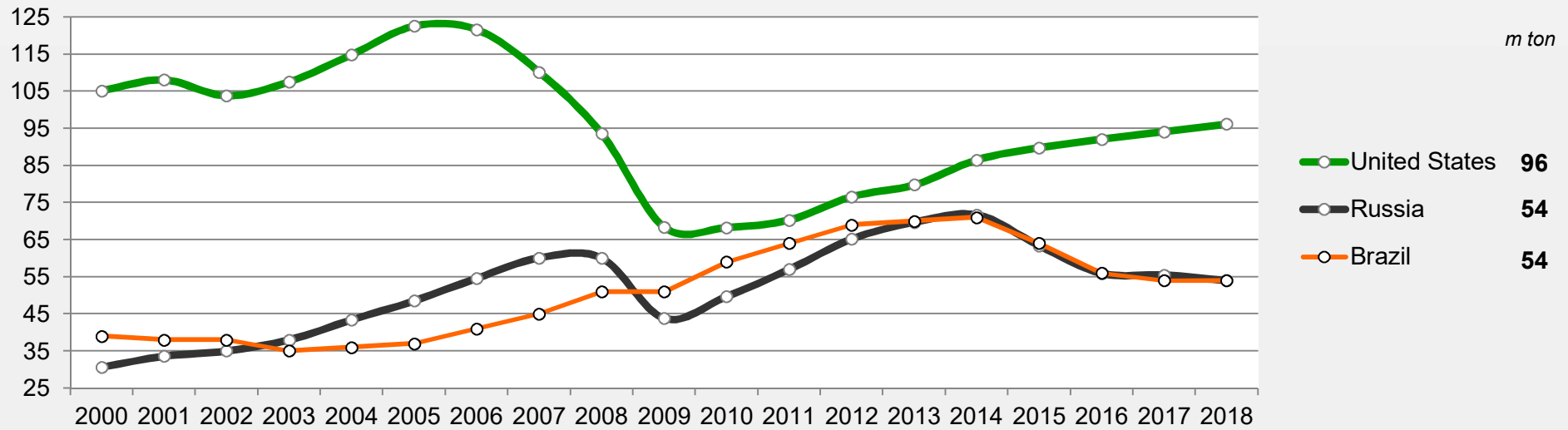
# Cement plants location and capacity












# 2018 Consumption vs. Peak



# Historical series of cement consumption by country



## Historical EBITDA development by country

EURm		2011	2012	2013	2014	2015	2016	2017	2018	
 Italy	EBITDA	10.3	-5.9	-18.1	-18.7	-37.2	-22.2	-79.7	-1.7	
	margin	1.8%	-1.2%	-4.2%	-4.8%	-9.8%	-5.9%	-18.6%	-0.4%	
 Germany	EBITDA	90.3	72.2	108.1	88.6	72.1	76.8	77.9	82.5	
	margin	14.2%	12.0%	18.0%	14.7%	12.6%	13.4%	13.3%	13.0%	
 Lux/ Netherlands	EBITDA	35.0	8.3	11.5	15.6	19.7	25.8	17.6	23.1	
	margin	15.7%	4.3%	6.3%	9.7%	11.7%	14.7%	9.4%	11.7%	
 Czech Rep/ Slovakia	EBITDA	35.2	25.4	19.2	27.0	32.6	34.3	36.6	43.6	
	margin	20.5%	17.0%	14.6%	20.2%	24.0%	25.2%	24.7%	26.5%	
 Poland	EBITDA	36.9	21.8	27.1	18.2	22.7	23.4	24.2	31.9	
	margin	26.6%	20.0%	26.8%	20.4%	20.4%	24.5%	24.9%	28.6%	
 Ukraine	EBITDA	6.9	15.8	12.3	11.0	4.0	12.8	16.0	7.0	
	margin	6.2%	11.8%	10.0%	12.5%	5.7%	16.1%	16.9%	8.0%	
 Russia	EBITDA	65.7	96.1	92.6	73.4	48.4	48.2	46.0	50.1	
	margin	37.4%	41.0%	37.2%	35.0%	29.0%	28.0%	24.9%	27.0%	
 USA	EBITDA	71.4	123.9	151.0	207.3	311.7	356.5	369.6	341.2	
	margin	12.8%	18.2%	20.7%	24.2%	28.1%	31.9%	33.0%	31.9%	
 Mexico	EBITDA	82.6	97.5	77.5	Adoption of IFRS 11					
	margin	34.7%	36.2%	33.2%						
<b>Consolidated</b>	<b>EBITDA</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>577.2</b>	
	<b>margin</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>	<b>20.1%</b>	