Half-Yearly financial report as at June 30, 2024

Buzzi S.p.A.

Registered office in Casale Monferrato (AL) - Via Luigi Buzzi 6

Share capital €123,636,658.80

Company Register of Alessandria-Asti no. 00930290044

WE ARE A MULTI-REGIONAL INTERNATIONAL GROUP, FOCUSED ON CEMENT AND READY-MIX CONCRETE.

WE OPERATE WITH INTEGRITY, CONSISTENCY, A LONG-TERM VISION, STABLE OWNERSHIP AND DEDICATED MANAGEMENT. ATTENTION TO COLLEAGUES, WORK SAFETY AND RELATIONSHIPS WITH LOCAL COMMUNITIES IS FUNDAMENTAL TO OUR DAILY ACTIONS.

WE CREATE VALUE THROUGH DEEP KNOW-HOW, PROCESS INNOVATION, EFFICIENT AND ENVIRONMENTALLY FRIENDLY ASSETS, OFFERING OUR CUSTOMERS INCREASINGLY SUSTAINABLE HIGH-QUALITY PRODUCTS.

ABOUT US

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BUSINESS REVIEW

In the spring, global economic activity continued to show signs of improvement, still driven by the strong dynamics of services, alongside a progressively recovering manufacturing sector. However, the decline in savings in major advanced economies and weak domestic demand in China continue to limit economic growth prospects. In the more developed countries, the labor market is gradually cooling down and the increase in nominal wages was more moderate, thus providing less support for disposable income accumulation. Consumer spending globally remained subdued, while international trade, after modest growth in the first quarter, showed a livelier development starting from April. The price of crude oil was quite volatile, with quotes falling in the April-May period, then rising again following the extension of voluntary production cuts by OPEC+ countries until 2025. The price of natural gas in Europe, on the other hand, started to rise again despite high inventory levels. In this context, the latest OECD projections forecast global GDP growth of 3.1% for 2024. Downside risks to economic activity and trade remain, linked to potential escalations in international tensions, particularly in the Middle East.

In the United States, GDP continued to expand in the first part of the year, supported by solid consumption and investments. However, growth rates showed a deceleration compared to previous quarters, also due to an unfavorable trend in the trade balance.
In the Eurozone, GDP raised by 0.3% in the first quarter, reflecting an increase in net exports and a slight rise in household consumption. The economic recovery was mainly driven by the services sector, led by trade, transport and the hospitality industry, while the contribution from the industrial sector remained negative. Investments also showed a significant decline compared to the previous quarter. In the spring, economic activity is estimated to have continued to expand, thanks to the resilience of the tertiary sector and to the stabilization in the construction market, while the disinflation process slowed down, despite a further reduction in core inflation.
In Italy, the economy grew modestly in the second quarter, thanks to the tertiary sector, particularly tourism, while construction and manufacturing contributed negatively to GDP growth. The increase in exports was the primary driver of demand, contrasting with a less favorable outlook for investments.
As far as emerging markets are concerned, in Mexico, the economy stagnated due to more moderate consumption dynamics and a slowdown in the industrial and construction sectors. In Brazil, however, the most recent indicators of economic activity and the labor market confirmed a more dynamic development than expected, thanks to the support of private consumption.

Regarding the monetary policies of the major central banks, the Federal Reserve kept the benchmark rates unchanged, awaiting further consolidation of the disinflation process. Meanwhile, the European Central Bank eased monetary restrictions with a 25 basis point rate cut in June. In Latin America, Brazil's central bank implemented another 0.25% rate cut in May, while in Mexico the existing monetary policies were confimerd at the end of the first quarter.

In this scenario, the overall cement and ready-mix concrete volumes sold by the group were fairly weak in the second quarter, partly due to unfavorable weather conditions in Europe and the United States during the spring, closing the first six months of the year below the levels of 2023. On the other end, the favorable variance in selling prices helped to limit the decline in turnover.

OPERATING AND FINANCIAL PERFORMANCE

Consolidated cement sales for the first six months of 2024 came in at 12.0 million tons, down 8.0% compared to the same period of 2023. The decline at the beginning of the year continued into the second quarter, albeit to a lesser extent, due to still weak demand in Central Europe and increased rainfall, especially in Italy and the United States. Ready-mix concrete output followed a similar trend, closing the period at 4.7 million cubic meters (-8.8% versus 2023). Selling prices continued to contribute favorably, allowing the group to close the half-year with a turnover of €2,053.6 million (-4.5% compared to last year). During the first six months, the foreign exchange effect was unfavorable by €27.0 million, while changes to the scope of consolidation, related to the sale of the concrete operations in France, led to a reduction of turnover by €2.2 million. Like for like, consolidated net sales would have been down 3.1%.

In Italy, volumes sold showed a negative trend, influenced by a particularly rainy May, which was offset by some price strengthening. Hence, the first half closed with net sales at €414.4 million, down 2.3% compared to 2023.
In the United States, net sales slightly declined (-1.2%) reaching €836.5 million, due to the slowdown in sales volumes, partially offset by the favorable price dynamics.
In Central Europe, volumes sold continued to contract clearly, in line with the subdued demand trend. Consequently, the turnover declined by 13.7%, standing at €463.7 million, despite prices improving semester over semester.
In Eastern Europe, the decline in cement volumes in Poland and Russia was only partially offset by the recovery in Ukraine, while the decrease in the concrete sector was mainly due to muted activity in the Czech Republic. Despite the positive change in selling prices, net sales amounted to €346.4 million, a decrease of 2.9% compared to 2023.

Consolidated Ebitda stood at €552.7 million, down 3.9% compared to €575.3 million of the previous year. The figure for the year under review includes net non-recurring income of €4.5 million. Excluding this item, recurring Ebitda declined from €571.6 to €548.3 million, with Ebitda to sales margin standing at 26.7% (26.6% in 2023). The Ebitda margin of the first six months strengthened in Italy, thanks to lower variable costs linked to the energy factors, and in the United States, despite rather stable unit production costs. The volume dynamics, however, penalized the margins in Central Europe, while in Eastern Europe the increase in power costs negatively affected operating results.

After amortization of €127.3 million, versus €128.4 million in 2023, Ebit came in at €425.4 million, worsening compared to €447.1 million in 2023. Profit before tax amounted to €535.4 million (€552.9 million in the previous year), considering a contribution of €76.3 million from equity earnings (€80.6 million in 2023) and net finance revenues of €29.8 million (they were €24.9 million in 2023). After income tax expense of €113.5 million (€121.7 million in 2023) the income statement closed with a net profit of €421.9 million (€431.2 million in the first half of 2023).
At period-end the consolidated net financial position was €898.4 million positive (€798.0 million at year-end 2023). In the six months under review the group repurchased treasury shares for €52.5 million, paid dividends to the shareholders of €107.5 million and incurred capital expenditures of overall €226.1 million. Investments devoted to environmental performance improvements and to decarbonization of the production process, among which we include projects to increase the production of cements with a lower clinker content, the greater usage of alternative fuels and the in-house production of renewable electricity, amounted to approximately €35 million.

As at 30 June 2024, total equity, inclusive of non-controlling interests, stood at €5,999.4 million versus €5,632.0 million at 2023 year-end. Consequently, the debt/equity ratio remained stable at 35% compared to the previous year.

ITALY

After a first quarter of moderate growth, supported by foreign demand, the tertiary sector and construction activity, the economy continued to expand during the spring months. Services maintained a solid dynamic, especially in sectors related to tourism, while industrial production experienced further decline. The labor market remained robust, with a decreasing unemployment rate and an acceleration of contractual wages in the private sector. The strong employment level contributed to a slight recovery in consumption, although it remains restrained by a propensity for saving above pre-pandemic levels. Demand, constrained by persistent weakness in capital expenditures, benefited instead from an increase in exports. Overall inflation remained at modest levels, with decreasing core component. The most recent macroeconomic projections for the current year estimate an inflation rate of 1.1% and a GDP growth of 0.6%.

The construction market weakened in the second quarter due to a generalized slowdown in demand, further hampered by the progressive reduction of tax benefits as well as unfavorable weather conditions. As a matter of fact, activity remained sluggish in both the private sector, especially in residential construction, and in public works.

In this context, our cement and ready-mix concrete sales declined in the first six months of the year by 5.9% and 6.4% respectively, also due to the abundant rainfall across the country during the spring months. Selling prices closed the half-year without any significant changes compared to the first quarter. Net sales in Italy came in at €414.4 million, down 2.3% (€424.1 million in 2023). Ebitda achieved €107.9 million, improving compared to €98.5 million of last year, despite the lack of benefit from the tax credit dedicated to energy-intensive businesses, which last year amounted to approximately €12 million. The result includes non-recurring charges of €0.4 million, net of which Ebitda would have been €108.3 million. The favorable trend of unit production costs, attributable primarily to the reduced weight of the energy component, allowed Ebitda to sales margin to improve and reach 26.1%.

(millions of euro)	1st Half 2024	1st Half 2023	24/23
Net sales	**414.4**	424.1	-2.3%
EBITDA	**107.9**	98.5	+9.5%
EBITDA recurring	**108.3**	98.5	+9.9%
% of net sales	**26.1**	23.2	
Capital expenditures	**26.0**	19.0	+37.3%
Headcount at year end n.	**1,558**	1,563	-0.3%

UNITED STATES OF AMERICA

In the first quarter, the US economic activity grew, albeit with less dynamism compared to the final months of last year. Private consumption and public spending remained solid but showed signs of slowing down, while investments in the residential sector accelerated at the beginning of the year. Conversely, the performance of net imports negatively impacted the economic outlook. In the spring months, domestic demand continued to expand, while the labor market showed signs of cooling down with the unemployment rate rising between April and June. Following an increase at the beginning of the year, inflation resumed its decline, closing the quarter with a rate of 3%, thanks to a drop in the energy component. The latest economic growth projections for 2024 indicate a GDP rise of 2.6%.

In the construction market, residential investments showed a volatile trend, with improvements at the beginning of the year, followed by a weakening in the spring months due to the pressure of high interest rates and postponed expectations of monetary policy easing. The capital spending of Federal and local government remain the main driver of the industry.

Our sales volumes, already slowing down in the first quarter, also contracted in the following three months, being affected by unfavorable weather conditions recorded in most of the regions where we operate, as well as by increased import flows in the coastal area. The first six months, therefore, closed with cement volumes down 5.7% compared to the 2023 level. Also ready-mix concrete output, essentially present in Texas, showed a similar decrease (-4.6%). Conversely, selling prices further strengthened in the cement business, while they confirmed the winter levels in the ready-mix concrete segment, showing good year-on-year development overall. Net sales thus reached €836.5 million, moderately down (-1.2%) compared to €846.8 million of 2023, while Ebitda increased from €256.9 to €280.2 million (+9.1%), showing an improvement in Ebitda to sales margin of about three percentage points. Unit production costs showed a rather stable trend, due to the increase in fixed and raw materials costs. Exchange rate fluctuations did not have any significant impact on the translation of results into euro.

(millions of euro)	1st Half 2024	1st Half 2023	24/23
Net sales	**836.5**	846.8	-1.2%
EBITDA	**280.2**	256.9	+9.1%
% of net sales	**33.5**	30.3	
Capital expenditures	**118.9**	72.7	+63.5%
Headcount at year end n.	**2,359**	2,314	+1.9%

GERMANY

The data of the first quarter indicated a general weakness of the economic (-0.9%), although there was a gradual improvement compared to the end of last year (+0.2%). The spring months substantially confirmed a slightly recovering economic outlook, with positive signs coming from the services sector and foreign demand. The manufacturing sector did not show a clear trend, fluctuating from growth in April to a marked decline in June. Domestic demand continues to be held back by investments, which are still penalized by high financing costs, while domestic consumption is estimated to have modestly recovered in the second quarter. The labor market remained robust and overall inflation volatile, with an increase in the annual rate in May subsequently absorbed by the end of the quarter. The latest projections estimate an inflation rate of 2.4% and GDP growth of 0.2% for the current year.

The construction market continued to contract in the first part of the year. Residential activity remains significantly weakened by adverse macroeconomic conditions, although trend rates showed some partial easing towards the end of the semester.

During the first half of the year, in line with the development of demand in the country, our cement volumes sold showed a rather negative trend (-16.1%) compared to the same period of 2023. The ready-mix concrete sector also recorded contracting volumes (-11.4%). Selling prices, on the other hand, closed the half-year period moderately improving year on year, both for cement and ready-mix concrete.
Overall net sales thus decreased from €441.3 to €388.0 million (-12.1%), while Ebitda declined from €100.1 to €73.9 million (-26.1%). The figure benefited from non-recurring income of 4.9 million, while unit production costs significantly worsened compared to the previous period, due to higher fixed costs, also reflecting a rather penalizing volume effect. Variable costs related to the energy component, on the other hand, did improve.

(millions of euro)	**1st Half 2024**	**1st Half 2023**	**24/23**
Net sales	**388.0**	441.3	-12.1%
EBITDA	**73.9**	100.1	-26.1%
EBITDA recurring	**69.0**	96.4	-28.4%
% of net sales	**17.8**	21.9	
Capital expenditures	**32.0**	22.0	+45.6%
Headcount at year end n.	**1,741**	1,765	-1.4%

LUXEMBOURG AND THE NETHERLANDS

In Luxembourg, economic activity began to recover in the first quarter of 2024 (+0.5% compared to the previous period), also showing a slight year-on-year rebound in the financial sector, transport and the hospitality industry. However, the improved business confidence, which according to the most recent indicators also characterized the spring months, did not extend to the construction market, which remained notably weak. For the year as a whole, GDP growth of 1.4% and an inflation rate of 2.3% are expected.

In the Netherlands, GDP contracted at the beginning of 2024 due to the unfavorable dynamics of the trade balance, as well as the decline in investments. Public spending provided the main positive contribution, while the manufacturing sector and construction activity experienced a rather subdued performance. The latest forecasts project GDP growth of 0.7% for 2024, with an inflation rate of 2.8%.

Our cement deliveries contracted also during the second quarter, although less significantly compared to the beginning of the year, closing the half-year down (-12.0%). The decline, on the other hand, was more evident in the ready-mix concrete sector (-32.7%), also due to the disposal of the subsidiary Beton Du Ried, while selling prices did not undergo relevant changes during the second quarter.
Therefore, net sales came in at €89.1 million, compared to the first six months of the previous year (€115.8 million), while Ebitda stood at €4.7 million, also decreasing compared to €12.6 million in 2023. The aforementioned deconsolidation of the ready-mix concrete operations resulted in a negative change in scope of €2.2 million in terms of revenue and a reduction in Ebitda of €0.3 million. Looking at unit production costs, a decline in fuel expenses was offset by increases in the cost of raw materials and fixed components.

(millions of euro)	1st Half 2024	1st Half 2023	24/23
Net sales	**89.1**	115.8	-23.1%
EBITDA	**4.7**	12.6	-62.6%
% of net sales	**5.3**	10.9	
Capital expenditures	**3.1**	7.3	-57.8%
Headcount at year end n.	**269**	295	-8.8%

CZECH REPUBLIC AND SLOVAKIA

In the first quarter, GDP registered an annual growth rate of 0.2%, driven by private consumption which, although improving, remains significantly below pre-Covid levels, while investments contracted significantly. The labor market continues to show strength, albeit progressively cooling. The most recent data indicate a further recovery of domestic demand in the spring, as suggested by the increase in retail sales and in the tertiary sector. However, foreign demand remains weak. Inflation was under control with values within the tolerance range since the beginning of the year. GDP growth of 1.1% is expected for 2024, with an annual inflation rate of 2.4%.

Construction activity remained sluggish at the beginning of the year, with a stagnation in civil engineering works and a negative development in the residential sector which, however, showed easing rates.

Cement sales, after a first quarter moderately declining, recovered ground in the spring, closing the first half-year substantially in line compared to last year (0.7%), with selling prices, in local currency, strengthening year on year. Conversely, the ready-mix concrete sector, which includes Slovakia, recorded a rather weak trend, with volumes contracting (-10.3%).
Consolidated net sales amounted to €96.2 million (€102.8 million in 2023, -6.5%) and Ebitda decreased from €33.6 to €28.3 million (-16.0%). The depreciation of the Czech koruna (-5.6%) penalized the translation of the results into euro: at constant exchange rates, as a matter of fact, net sales would have been down 1.4%, while Ebitda would have decreased by 11.2%.
The increase in electricity supply costs negatively impacted the operating results, while fixed items marginally improved.

(millions of euro)	1st Half 2024	1st Half 2023	24/23
Net sales	96.2	102.8	-6.5%
EBITDA	28.3	33.6	-16.0%
% of net sales	29.4	32.7	
Capital expenditures	6.8	6.9	-1.9%
Headcount at year end n.	660	694	-4.9%

POLAND

During the first quarter, economic activity accelerated, achieving a growth rate of 2% thanks to strong consumer dynamics and a positive contribution from net exports. Conversely, investments declined, partly influenced by the end of the utilization period for European funds from the previous financial plan (2014-2020). Data from the second quarter seem to confirm a gradual economic recovery, despite volatile industrial production results and the still weak construction market. After an initial decline, inflation rose again in April and May, primarily due to the reinstatement of VAT on basic food items and increased pressure on fuel prices. Looking ahead to 2024, GDP growth of 2.9% and an inflation rate of 3.9% are expected.

The slowdown in construction activity at the beginning of the year affected, on the one hand, the main components of the non-residential sector (commercial, public and industrial), and on the other, the infrastructure segment, which suffered due to the completion of many of the ongoing projects during 2023.

In this context, our deliveries confirmed the slowdown also during the second quarter, however showing recovery signals with the beginning of the spring. Cement sales, therefore, closed the first six months of the year down 20.6%, however with selling prices clearly strengthening. On the other hand, ready-mix concrete volumes recorded a favorable trend (+12.2%).
Net sales decreased from €76.6 to €73.1 million (-4.6%). Ebitda also decreased from €22.7 to €12.7 million (-44.3%). The appreciation of the zloty positively impacted the translation of results into euro: at constant exchange rates both net sales and Ebitda would have declined by 10.9% and 48.0% respectively. The results were affected by the increase in unit costs for electricity and raw materials supply, as well as by the rise in fixed costs.

(millions of euro)	1st Half 2024	1st Half 2023	24/23
Net sales	73.1	76.6	-4.6%
EBITDA	12.7	22.7	-44.3%
% of net sales	17.3	29.7	
Capital expenditures	4.9	5.2	-5.9%
Headcount at year end n.	350	345	+1.4%

UKRAINE

In Ukraine, the economy continued to recover during the first quarter, supported by public spending on defense and social protection. However, growth rates showed a slowdown, reflecting the government's increased caution in response to uncertainty about international aid. In the spring, while support from global partners intensified, Russian attacks severely damaged key infrastructure, primarily in the energy sector. These circumstances led to a downward revision of economic growth estimates for 2024 (from 3.6% to 3%).

In this context, our cement and ready-mix concrete sales volumes continued to recover (+24.5% and +9.0% respectively), although with diminishing momentum starting from the second quarter, due to the less favorable comparison with last year. Selling prices in local currency further strengthened in spring, thus showing a marked increase year on year.

Net sales stood at €44.7 million, up compared to €35.1 million achieved in 2023, while Ebitda amounted to €2.4 million (€2.3 million in 2023). The depreciation of the local currency (-6.8%) had an unfavorable impact on the translation of the results into euro: at constant exchange rates the turnover would have been up 36.2%, while Ebitda would have amounted to €2.5 million.

We remind that, on 20 June 2023, Buzzi reached an agreement with CRH regarding the sale of its business in Ukraine. The closing of the transaction is subject to the granting of the required regulatory approvals.

(millions of euro)	**1st Half 2024**	**1st Half 2023**	**24/23**
Net sales	**44.7**	35.1	+27.6%
EBITDA	**2.4**	2.3	+3.7%
% of net sales	**5.3**	6.5	
Capital expenditures	**1.5**	0.5	n.s.
Headcount at year end n.	**1,050**	995	+5.5%

RUSSIA

In the first quarter, economic activity grew by 5.4%, exceeding market expectations due to strong domestic consumption, while production capacity remains unable to meet the ever-increasing demand. The persistent shortage of labor, with the unemployment rate reaching a new historical low of 2.6% in April, continues to exert upward pressure on wages. Inflation increased for the third consecutive month, reaching 8.3% in May. The latest forecasts project GDP growth of 3.2% for 2024.

Due to the sanctions imposed by the European institutions, starting from May 2022 Buzzi has ceased any operational involvement in the activity carried out by the local subsidiaries. Consequently, decisions relating to the investment can only be taken through the shareholders' meeting and are limited to those which, according to the Commercial Code of Russia, are the responsibility of this body, as well as to decisions of an extraordinary nature as defined in the bylaws. The information available to us regarding the trend of demand and the construction market is, therefore, very limited. At the balance sheet date, the net asset value of the Russian business amounts to €397.8 million.

In the period under review, net sales amounted to €132.5 million, contracting compared to €142.8 million of the previous year (-7.2%), while Ebitda decreased from €48.4 to €42.8 million (-11.7%). The depreciation of the ruble (-17.5%) unfavorably influenced the translation of the results into euro: at constant exchange rates, net sales and Ebitda would have been up 9.0% and 3.7% respectively.

(millions of euro)	**1st Half 2024**	**1st Half 2023**	**24/23**
Net sales	**132.5**	142.8	-7.2%
EBITDA	**42.8**	48.4	-11.7%
% of net sales	**32.3**	33.9	
Capital expenditures	**32.9**	14.9	n.s.
Headcount at year end n.	**1,856**	1,661	+11.7%

MEXICO

(valued by the equity method)

In the first quarter of the year, the national economy showed modest dynamics, with GDP growth of 0.3%. Primary and tertiary activities, after a marked contraction in January, recovered in the following months. In contrast, the industrial sector remained weak throughout the quarter. The construction sector slowed down but remained at high levels, primarily thanks to progress made in the implementation of infrastructure projects. On the demand side, the decline in consumption was accompanied by stagnant investment. Headline inflation increased due to resilient price dynamics of the service industry, while core inflation continued to decline. The latest projections for the current year point to a GDP growth of 2.2% and an inflation rate of 4.5%.

The sales of our joint venture, which were slowing down during the first quarter, recorded a less volatile dynamics in the spring, therefore closing the first six months of the year moderately declining (-2.6%). The ready-mix concrete business, on the other hand, continued to grow strongly (+16.5%). Prices in local currency also improved compared to last year.
Net sales, referring to 100% of the joint venture, stood at €552.4 million, up 10.4% on the previous year, while Ebitda came in at €254.5 million, up compared to €227.3 million of 2023. The appreciation of the Mexican peso had a positive impact on results (+5.8%). At constant exchange rates, as a matter of fact, net sales and Ebitda would have been up 4.0% and 5.5% respectively.
In the first half of 2024, the unit production costs showed a favorable trend, thanks to the lower expense for fuels, which more than offset the worsening of fixed costs.
The earnings referring to Mexico, included in the line item that encompasses the investments valued by the equity method, amount to €64.3 million (€52.3 million in 2023).

BRAZIL

(valued by the equity method)

After a subdued end to the year, Brazilian economic activity grew by 0.8% in the first quarter of 2024, driven by a robust labor market and the consequent increase in private consumption. In contrast, public spending showed a less dynamic performance. The agricultural sector grew at a sustained pace, while the positive contribution from the service industry was more moderate. Business investments also saw a recovery in the early months of the year, thanks to a monetary easing cycle that reduced the benchmark interest rate by 325 basis points since August of the previous year. On the other hand, industrial production experienced a slight contraction due to increased competitive pressures in export markets. The disinflation process continued at a slower pace than expected. The latest estimates project GDP growth of 1.9% for 2024 and an annual inflation rate of 4%.

The sales of our joint venture, after the slowdown recorded at the start to the year, recovered during the spring, closing the first half with substantially stable levels compared with the previous year (-0.4%). Prices did not undergo significant changes compared to the same period of 2023, reflecting a highly competitive market situation that made it difficult to implement new increases.
Net sales stood at €186.9 million, -1.5% compared to €189.7 million of the previous year, while Ebitda reached €44.5 million, improving compared to €38.3 million of 2023. The currency had minor impacts on the translation of the results into euro (-0.2%): at constant exchange rates, as a matter of fact, net sales would have been down 1.3% and Ebitda up 16.6%. The unit production costs decreased, mainly influenced by the favorable variance in variable items.
The earnings referring to Brazil, included in the line item that encompasses the investments valued by the equity method, amount to €0.9 million (€14.2 million in 2023).

ALGERIA

(valued by the equity method)

After the sustained growth of last year, the most recent data suggest a similarly strong start to 2024 for economic activity, although to a lesser extent in regions more heavily reliant on oil, which have been negatively impacted by production cuts. In the eastern region, however, there is a reported recovery in precipitation and, consequently, in crop yields. For the current year, GDP is projected to grow by 2.9%, driven by sectors unrelated to extraction activities, which are instead expected to experience a slight decline. Salary increases in the public sector seem to continue to stimulate the service sector, while the consolidation of government investments is anticipated to lead to a slowdown in capital expenditure. The overall contribution of net exports apparently remained negative, due to an increase in imports coupled with a reduction in hydrocarbon exports. Government-promoted investment plans in the energy sector are expected to continue stimulating the construction market throughout 2024.

With reference to 100% of both associates, the first half-year 2024 closed with net sales of €30.0 million, down 7.2% compared to €32.3 million in the previous year. The appreciation of the Algerian dinar (+1.1%) favorably impacted the translation of results into euro. Ebitda also declined, amounting to €12.8 million (-10.9%).
The earnings referring to Algeria, included in the line item that encompasses the investments valued by the equity method, amount to €2.5 million (€2.8 million in 2023).

SLOVENIA

(valued by the equity method)

In the early months of the year, economic activity remained strong and projections for the second quarter point to further strengthening of the economic context. This favorable trend continues to be supported by a high level of employment, real income growth and increased public spending. Vibrant private consumption positively contributed to GDP growth, accompanied by expanding construction activity, albeit at moderating rates. In contrast, investment in machinery and equipment suffered due to still weak foreign demand. Inflation decreased (2.5% in May), despite ongoing pressures in the tertiary sector. The latest projections for 2024 foresee a GDP growth of 2.5%.

Buzzi is present through its associate Alpacem, which is the leading producer of hydraulic binders in the country. The company operates a full-cycle cement plant, 3 concrete batching plants and 3 natural aggregate quarries. With reference to 100% of the associate, the first half-year closed with net sales of €70.3 million, slightly up compared to 2023 (+2.0%) and Ebitda of €15.9 million, down 20.9%.
The earnings referring to Slovenia, included in the line item that encompasses the investments valued by the equity method, amount to €2.3 million (€3.2 million in 2023).

RISK MANAGEMENT AND DESCRIPTION OF MAIN RISKS

Buzzi has defined an internal control and risk management system with procedures aimed at allowing the identification, measurement, management and monitoring of the main corporate risks. The companies included in the scope of risk assessment are the parent company Buzzi SpA and its main subsidiaries. Risks are assessed by considering their likelihood of occurrence and their economic impact, in accordance with certain standards, as well as their relevance. We analyze the risks categories attached to the business activity of our companies.

In general, the risks reflect the instability of the current political, economic and financial framework. In compliance with the sanctions adopted by the European institutions against Russia, since May 2022 Buzzi has ceased all involvement in the operating activities of the Russian subsidiaries. In this context the group and in particular the German subsidiary Dyckerhoff monitor the development in order to act promptly to mitigate the risks of sanctioning procedures and the possible direct and indirect impacts. The probability of occurrence of such an event is currently considered low.
Country risk in Russia remain high due to the deteriorating geopolitical situation and, with it, the risks related to our investments operating directly in that territory.

Risks are identified with reference to both short-term and medium- to long-term time horizons. The main categories of short-term risks to which the group is exposed relate to investments, foreign currency, procurement, sales and insurance.

- **Investments:** for possible expropriation or damage to the plants of subsidiaries operating in Ukraine and Russia, with a higher likelihood of occurrence for the company in Russia.
- Foreign **currency:** on intercompany loans, on liquidity and their possible impacts on Ebitda due to the translation into euros of the financial statements prepared by the subsidiaries. Currency risks are further detailed in note 4 of the half-yearly condensed consolidated financial statements.
- **Procurement**: the risks related to energy costs associated with market volatility decreased in the United States.
- **Sales**: they are reducing due to the elimination of risks stemming from unfavorable economic trends in Italy and the United States, as these are better accounted for in medium to long-term assessments.
- **Insurance**: in the United States the impacts of risks for possible uninsured natural catastrophes decreased, following an adjustment to the calculation base of assets; such risks have very low probability.

Following the mitigation actions already implemented or envisaged, as well as the accounting provisions, where necessary, the residual risks represent a limited share of book equity. Simulations on potential simultaneous occurrences of multiple risks provide very limited impacts and probability of occurrence.

TRANSACTIONS WITH RELATED PARTIES

Information on transactions with related parties is available in note 47 of these half-yearly condensed consolidated financial statements as at 30 June 2024.

OUTLOOK

Despite the weakness in sales volumes that characterized the first part of the year, the results for the first half of 2024 consolidated the excellent profitability achieved in the previous fiscal year. This achievement is attributable, on the one hand, to commercial efforts that allowed for further strengthening of prices at the beginning of the year, and on the other, to a fairly favorable trend in production costs.

In the second half of the year, we consider it likely that demand in Italy may stabilize with the start of the nice weather, mainly supported by resources from the PNRR, in a construction market still hampered by weak dynamics in the residential sector. In the United States, we expect that, thanks to improved weather conditions, deliveries may show a more favorable trend in the second half of the year. In Central Europe, in line with the most recent market projections, instead, we continue to anticipate a rather negative demand development, although at a less pronounced pace than at the beginning of the year. Looking at Eastern Europe, in Poland, the latest published estimates predict a recovery in construction activity across all relevant sectors; we therefore expect our sales volumes to regain ground, mitigating the contraction recorded in the first part of 2024. In the Czech Republic, we believe that the recent resilience in demand can be maintained for the rest of the fiscal year.

In conclusion, based on the considerations expressed above, we can confirm the previous guidance provided to the market regarding the full year performance. Therefore, we foresee to achieve a recurring Ebitda similar to the record level reached in 2023.

ALTERNATIVE PERFORMANCE MEASURES

Buzzi uses in its financial disclosure some alternative performance measures that, although widespread, are not defined or specified by the accounting standards applicable to the preparation of the annual financial statements or interim consolidated reports.
Pursuant to Consob Communication no. 92543/2015 and the guidelines ESMA/2015/1415 set out below are the definitions of such measures.

- **EBITDA:** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **EBITDA recurring**: it is calculated starting from the subtotal presented in the financial statements named EBITDA and applying to it the following adjustments (non-recurring income/expense):

  - restructuring costs, in relation to defined and significant plans
  - write downs/ups of current assets except trade receivables greater than €1 million
  - addition to/release of provisions for legal, fiscal or environmental risks greater than €1 million
  - dismantling costs greater than €1 million
  - gains/losses from the sales of fixed assets and non-instrumental real estate greater than €3 million
  - other sizeable non-recurring income or expense (greater than €3 million), that is attributable to significant events unrelated to the usual business.

The reconciliation between EBITDA and EBITDA recurring for the two comparative periods is as follows:

(millions of euro)	1st Half 2024	1st Half 2023
EBITDA	**552.7**	**575.3**
Gains on disposal of fixed assets	-	(3.6)
Other income	(4.9)	-
Other expenses	0.4	-
EBITDA recurring	**548.3**	**571.6**

- **Operating profit (EBIT):** subtotal presented in the financial statements; please refer to the consolidated income statement for the calculation.

- **Net financial position**: it is a measure of the capital structure determined by the difference between financial liabilities and assets, both short and long term; under such items are included all interest-bearing liabilities or assets and those connected to them, such as derivatives and accruals.

- **Net debt**: it is a measure of the capital structure corresponding to the difference between financial liabilities, both short and long term, and short term financial assets. Therefore, it includes all liabilities, a part of the interest-bearing assets and related items, such as derivative financial instruments and accruals. The measure complies with Consob Communication no. 92543/2015 and the guidelines ESMA32-382-1138.

Half-year condensed consolidated financial statements

CONSOLIDATED INCOME STATEMENT

(thousands of euro)	Note	1st Half 2024	1st Half 2023
Net sales	8	**2,053,579**	**2,149,634**
Changes in inventories of finished goods and work in progress		(18,288)	11,486
Other operating income	9	27,987	26,917
Raw materials, supplies and consumables	10	(723,022)	(851,823)
Services	11	(443,005)	(436,413)
Staff costs	12	(308,204)	(288,664)
Other operating expenses	13	(36,341)	(35,883)
EBITDA		**552,706**	**575,254**
Depreciation and amortization	14	(127,314)	(127,835)
Impairment charges	14	-	(307)
Operating profit (EBIT)		**425,392**	**447,112**
Equity in earnings of associates and joint ventures	15	76,261	80,589
Gains on disposal of investments	16	3,950	243
Finance revenues	17	89,165	68,651
Finance costs	17	(59,394)	(43,730)
Profit before tax		**535,374**	**552,865**
Income tax expense	18	(113,507)	(121,651)
Profit for the period		**421,867**	**431,214**
Attributable to:			
Owners of the company		421,749	431,095
Non-controlling interests		118	119
(euro)			
Earnings per share	19		
basic		2.280	2.329

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)	**1st Half 2024**	**1st Half 2023**
Profit for the period	**421,867**	**431,214**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	17,165	(701)
Fair value changes of equity investments	261	64
Income tax relating to items that will not be reclassified	(4,829)	152
Total items that will not be reclassified to profit or loss	**12,597**	**(485)**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	124,811	(113,617)
Share of currency translation differences of associates and joint ventures valued by the equity method	(25,292)	34,067
Total items that may be reclassified subsequently to profit or loss	**99,519**	**(79,550)**
Other comprehensive income for the year, net of tax	**112,116**	**(80,035)**
Total comprehensive income for the period	**533,983**	**351,179**
Attributable to:		
Owners of the company	533,861	351,061
Non-controlling interests	122	118

CONSOLIDATED BALANCE SHEET

(thousands of euro)	Note	30.06.2024	31.12.2023
Assets			
Non-current assets			
Goodwill	20	509,934	508,836
Other intangible assets	20	51,967	51,890
Right-of-use assets	21	77,874	74,462
Property, plant and equipment	22	3,333,452	3,150,538
Investment property	23	16,996	17,524
Investments in associates and joint ventures	24	621,175	633,603
Equity investments at fair value	25	11,738	10,726
Deferred income tax assets		94,918	97,571
Defined benefit plan assets	37	2,003	3,698
Other non-current assets	26	273,303	265,271
		4,993,360	**4,814,119**
Current assets			
Inventories	27	771,527	754,269
Trade receivables	28	670,985	565,610
Other receivables	29	241,112	255,225
Derivative financial instruments	30	20,933	-
Cash and cash equivalents	31	1,331,676	1,120,712
		3,036,233	**2,695,816**
Assets held for sale	32	110,398	105,468
Total Assets		**8,139,991**	**7,615,403**

(thousands of euro)	Note	30.06.2024	31.12.2023
Equity			
Equity attributable to owners of the company			
Share capital	33	123,637	123,637
Share premium		458,696	458,696
Other reserves	34	149,019	50,455
Retained earnings		5,446,078	5,124,484
Treasury shares		(183,691)	(130,917)
		5,993,739	**5,626,355**
Non-controlling interests	35	5,685	5,673
Total Equity		**5,999,424**	**5,632,028**
Liabilities			
Non-current liabilities			
Long-term debt	36	492,216	338,697
Lease liabilities	21	59,172	56,577
Derivative financial instruments	30	-	4,787
Employee benefits	37	245,933	267,770
Provisions for liabilities and charges	38	86,257	83,820
Deferred income tax liabilities		400,164	385,165
Other non-current liabilities	39	4,409	5,009
		1,288,151	**1,141,825**
Current liabilities			
Current portion of long-term debt	36	215,147	265,226
Short-term debt	36	8,024	4,965
Current portion of lease liabilities	21	20,537	19,651
Trade payables	40	308,649	315,729
Income tax payables	41	116,871	64,056
Provisions for liabilities and charges	38	22,930	25,225
Other payables	42	146,705	136,344
		838,863	**831,196**
Liabilities held for sale	32	13,553	10,354
Total Liabilities		**2,140,567**	**1,983,375**
Total Equity and Liabilities		**8,139,991**	**7,615,403**

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of euro)	Note	1st Half 2024	1st Half 2023
Cash flows from operating activities			
Cash generated from operations	43	423,487	387,982
Interest paid		(10,469)	(20,040)
Income tax paid		(69,826)	(63,252)
Net cash generated from operating activities		**343,192**	**304,690**
Cash flows from investing activities			
Purchase of intangible assets	20	(904)	(3,637)
Purchase of property, plant and equipment	22	(216,714)	(141,065)
Purchase of other equity investments	25	(8,501)	(3,400)
Proceeds from sale of property, plant and equipment		5,513	6,515
Proceeds from sale of equity investments		5,000	1,600
Changes in financial receivables		38,474	(162,983)
Dividends received from equity investments	17, 24	50,884	40,796
Interest received		27,349	17,587
Net cash used in investing activities		**(98,899)**	**(244,587)**
Cash flows from financing activities			
Proceeds from long-term debt	36	149,527	-
Repayment of long-term debt	36	(50,210)	(500,359)
Net change in short-term debt	36	149	1,575
Repayment of lease liabilities	21	(10,453)	(11,300)
Changes in other financial payables		13,734	(449)
Changes in ownership interests without loss of control		-	(336)
Purchase of treasury shares	33	(52,460)	-
Dividends paid to owners of the company	44	(107,398)	(81,067)
Dividends paid to non-controlling interests		(92)	-
Net cash generated from (used in) financing activities		**(57,203)**	**(591,936)**
Increase (decrease) in cash and cash equivalents		**187,090**	**(531,833)**
Cash and cash equivalents at beginning of period		1,120,712	1,341,488
Currency translation differences		24,786	(22,550)
Change in scope of consolidation		(912)	-
Cash and cash equivalents at end of period	31	**1,331,676**	**787,105**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the company							
(thousands of euro)	Share capital	Share premium	Other reserves	Retained earnings	Treasury shares	Total	Non-con-trolling interests	Total Equity
Balance as at 1 January 2023	**123,637**	**458,696**	**183,290**	**4,271,170**	**(130,917)**	**4,905,876**	**5,581**	**4,911,457**
Profit for the period	**-**	**-**	**-**	**431,095**	**-**	**431,095**	**119**	**431,214**
Other comprehensive income for the year, net of tax	-	-	(79,506)	(528)	-	**(80,034)**	(1)	**(80,035)**
Total comprehensive income for the year	**-**	**-**	**(79,506)**	**430,567**	**-**	**351,061**	**118**	**351,179**
Dividends declared	-	-	-	(83,309)	-	**(83,309)**	-	**(83,309)**
Acquisition of non-controlling interests	-	-	-	1,720	-	**1,720**	(162)	**1,558**
Other changes	**-**	**-**	-	(8,178)	-	**(8,178)**	(7)	**(8,185)**
Balance as at 30 June 2023	**123,637**	**458,696**	**103,784**	**4,611,970**	**(130,917)**	**5,167,170**	**5,530**	**5,172,700**
Balance as at 1 January 2024	**123,637**	**458,696**	**50,455**	**5,124,484**	**(130,917)**	**5,626,355**	**5,673**	**5,632,028**
Profit for the period	**-**	**-**	**-**	**421,749**	**-**	**421,749**	**118**	**421,867**
Other comprehensive income for the year, net of tax	-	-	99,699	12,413	-	**112,112**	4	**112,116**
Total comprehensive income for the year	**-**	**-**	**99,699**	**434,162**	**-**	**533,861**	**122**	**533,983**
Dividends declared	-	-	-	(110,961)	-	**(110,961)**	(103)	**(111,064)**
Acquisition of non-controlling interests	-	-	-	872	-	**872**		**872**
Purchase of treasury shares	-	-	-	-	(52,774)	**(52,774)**	-	**(52,774)**
Other changes	-	-	(1,135)	(2,479)	-	**(3,614)**	(7)	**(3,621)**
Balance as at 30 June 2024	**123,637**	**458,696**	**149,019**	**5,446,078**	**(183,691)**	**5,993,739**	**5,685**	**5,999,424**

NOTES TO THE HALF-YEARLY CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Buzzi SpA ('the company') and its subsidiaries (together 'the group' or 'Buzzi') manufacture, distribute and sell cement, ready-mix concrete and aggregates. The group has manufacturing plants in several countries, which also represent the natural outlet for its goods and services. The operations are located mainly in Italy, the United States of America, Germany, Luxembourg, the Netherlands, Poland, the Czech Republic and Slovakia, Ukraine, Russia, Mexico and Brazil.

Buzzi is a stock corporation organized under the laws of Italy. The registered and administrative office is located in Casale Monferrato (AL), Italy, Via Luigi Buzzi 6. The company is listed on Euronext Milan market managed by Borsa Italiana.

Buzzi SpA is controlled by Fimedi SpA, which directly and indirectly, through its subsidiary Presa SpA, owns 52.95% of the shares. Fimedi SpA has its registered office in Turin, Italy, Corso Re Umberto 10.

These consolidated interim financial statements were authorized for issue by the Board of Directors on 2 August 2024.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared in accordance with art. 154 ter of Legislative Decree 58/1998 and drawn up in compliance with International Financial Reporting Standards (IFRS), according to the provisions of IAS 34 Interim Financial Reporting. They should be read in conjunction with the annual financial statements for the year ended 31 December 2023.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from such estimates. In preparing these interim financial statements, the significant judgments made by management in applying the group's accounting policies were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023, with the exception of changes in estimates that are required in determining the income tax expense for the period.
The company does not show in the income statement, balance sheet and cash flow statement the amount of balances with related parties, separately by line item (pursuant to Consob resolution no. 15519 of 27 July 2006). This indication would not be significant for the representation of the financial and economic position of the group;, transactions with related parties are disclosed in note 47 of these consolidated interim financial statements.
The items presented in these consolidated financial statements, if necessary, have been somewhat adjusted and integrated compared with those previously published, to give a better representation of the financial position and economic performance of the group.

Foreign currency translation
The results and financial position of all the group entities that have a functional currency different from the presentation currency have been translated using the following exchange rates:

	Year-end		Average	
(euro 1 = Currency)	30 June 2024	31 December 2023	1st Half 2024	1st Half 2023
US Dollar	1.0705	1.1050	1.0813	1.0807
Czech Koruna	25.0250	24.7240	25.0149	23.6873
Ukrainian Hryvnia	43.2658	41.9960	42.1980	39.5160
Russian Ruble*	91.4486	99.3530	98.1917	83.6029
Polish Zloty	4.3090	4.3395	4.3169	4.6244
Hungarian Forint	395.1000	382.8000	389.7571	380.8484
Brazilian Real	5.8915	5.3618	5.4922	5.4827
Mexican Peso	19.5654	18.7231	18.5089	19.6457
Algerian Dinar	144.0192	148.2657	145.4194	147.0336

*source: Bloomberg

3. ACCOUNTING POLICIES

The principles adopted are consistent with the recognition and evaluation criteria used in the preparation of the annual financial statements as at 31 December 2023 to which reference is made for additional information.

Certain valuation processes, in particular the assessment of non-current assets impairment, if any, are generally carried out in full only during the preparation of the annual financial statements, when all necessary information is available, unless there is an indication of impairment that requires an immediate impairment test. Similarly, the actuarial evaluations to determine employee benefits are usually carried out only during preparation of the annual report.

The Pillar II legislation was implemented in Italy by Legislative Decree No. 209 of 27 December 2023, which came into effect on 29 December 2023, effective as of fiscal year 2024. Under this legislation, a company is required to pay a supplementary tax on the income of its subsidiaries that are taxed at an effective rate of less than 15 percent. The amendment to IAS 12 did not result in any changes to the half-yearly financial statement, prepared in accordance with IAS 34. Therefore, income tax expense is accrued using the rate that would be applicable to the expected profit or loss for the entire year.
The group has continued the necessary activities to estimate the possible exposure to the aforementioned taxes, confirming the preliminary conclusions presented in the financial statements as at 31 December 2023. In particular, the group has preliminarily determined the subjective scope of the Pillar II legislation. Buzzi SpA qualifies as a "partially owned participant" and will be able to benefit from the option whereby the supplementary taxation owed by a group, in relation to a given country, is presumed to be zero if the level of effective taxation of its companies located there, at the end of the 2024 financial year, complies with the conditions on simplified regimes (Transitional CbCR Safe Harbour). As a result of these assessments, taxes estimated based on known or reasonably estimable information should not lead to material impacts. The estimate is based on currently available information and may be subject to change resulting from additional reasonable and demonstrable information that will only become available later.

Standards, amendments and interpretations adopted in 2024

The following standards, amendments and interpretations are not material to the group and/or have had no impact on the interim financial statements presented herein:.

- IAS 1 Presentation of financial statements (amendments): classification of liabilities as current or non-current and related amendments on the deferral of effective date. The amendments clarify whether to classify payables and other liabilities with an uncertain due date as current or non-current.

- IFRS 16 Leasing (amendments): liability in a sale and leaseback. It clarifies the accounting of sale and subsequent lease back.

- IAS 1 Presentation of Financial Statements (amendments): Non-current Liabilities with Covenants. The amendment improves the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants.

- IAS 7 Statement of Cash Flows and IFRS 7 Disclosures about Financial Instruments (amendments): Supplier Finance arrangements. The amendments aim at improving the disclosure of supplier finance arrangements by asking entities to provide additional qualitative and quantitative information and 'signposts' about such transactions.

Standards, amendments and interpretations that are not yet effective and have not been early adopted

- IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures (amendments): sale or contribution of assets between an investor and its associates or joint ventures. A full gain (or loss) is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if those assets are in a subsidiary. At the date of this report the European Union has deferred indefinitely the endorsement process required for the amendment to become effective and since which date.

- IAS 21 The Effects of Changes in Foreign Exchange Rates (amendments): absence of convertibility (effective 1 January 2025). The amendments specify when a currency is exchangeable and, if not, how to determine the exchange rate.

- IFRS 9 and IFRS 7 Amendments to the Classification and Measurement Requirements for Financial Instruments (effective from 1 January 2026): they address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 'Financial Instruments'. At the date of this report the European Union has not yet endorsed the standard.

- IFRS 18 Presentation and Disclosure of Financial Statements: includes the requirements for all companies applying IFRS for the presentation and disclosure of financial statements (effective from 1 January 2027). At the date of this report the European Union has not yet endorsed the standard.

- IFRS 19 Subsidiaries without Public Accountability (effective from 1 January 2027): it specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. At the date of this report the European Union has not yet endorsed the standard.

4. RISK MANAGEMENT

4.1 Financial risk factors

The group's activities are exposed to a variety of financial risks such as market risk (including currency and price), credit risk and liquidity risk. The group uses, infrequently, derivative financial instruments to hedge certain risk exposures. Central treasury and finance department carries out risk management and identifies, evaluates and possibly hedges financial risks in close cooperation with the group's operating units.
The consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; therefore, they should be read in conjunction with the consolidated annual report as at 31 December 2023.
Since year end, there have been no organizational changes in the risk management department or related risk management policies.

4.2 Fair value estimation

Hereunder an analysis of the financial instruments carried in the balance sheet at fair value. The different levels have been defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the assets that are measured at fair value at 30 June 2024:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	11,697	1,229	-	**12,926**
Derivative financial instruments (current)	-	-	20,933	**20,933**
Equity investments at fair value	-	-	11,738	**11,738**
Total Assets	**11,697**	**1,229**	**32,671**	**45,597**

The following table presents the assets that are measured at fair value at 31 December 2023:

(thousands of euro)	Level 1	Level 2	Level 3	Total
Assets				
Other non-current assets	11,166	1,072	-	**12,238**
Equity investments at fair value	-	-	10,726	**10,726**
Total Assets	**11,166**	**1,072**	**10,726**	**22,964**
Liabilities				
Derivative financial instruments (non-current)	-	-	(4,787)	**(4,787)**
Total Liabilities	**-**	**-**	**(4,787)**	**(4,787)**

In the first half of 2024, there were no transfers between the various fair value levels.

Other non-current assets refer to deposits held in trust to secure the payment of benefits under certain defined contribution pension plans in the United States. These assets are classified as level 1 or level 2 in the fair value hierarchy, with any movement taken directly to the income statement.

The investments included in the line item Equity investments at fair value are all booked at fair value through other comprehensive income (OCI) and included in level 3. When a multi-year plan is not available, the valuation at book value of equity is considered as the best approximation of the fair value (note 25).

Level 3 derivatives include the put/call option on the remaining 50% interest in Nacional Cimentos Participações SA. The value of the derivative financial instrument, at the date of these interim financial statements, is in line with its fair value. The change in the fair value of the derivative has been recognized in profit or loss, in accordance with IFRS 9 (note 30).

The group holds several financial instruments which are not measured at fair value in the balance sheet. For the majority of these instruments (trade receivables less provision for impairment, trade payables, other receivables, other payables) the carrying amount is considered to approximate their fair value. The fair value of long-term financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

4.3 Other risks

Regarding other risks, reference is made to the specific chapter in the review of operations.

5. SCOPE OF CONSOLIDATION

In the first half of 2024 the company sold its 100% interest in Beton Du Ried Sas (notes 8, 16 and 22)
Some other mergers took place within the group, in particular in the Netherlands, to continue streamlining and simplifying the organizational structure, without any material effect on the consolidated financial statements.

As a result of the Russia-Ukraine conflict, which led to the imposition of sanctions on Russia by European institutions, since 2022 we have ceased all operational involvement in the business carried out by the subsidiary SLK Cement, although continuing to maintain control from an accounting standards perspective, in accordance with IFRS 10 - Consolidated Financial Statements.

6. SEASONALITY OF OPERATIONS

Demand for cement, ready-mix concrete and other construction materials is seasonal because climatic conditions affect the level of activity in the building industry. Buzzi usually experiences a reduction in sales during the first and fourth quarters, reflecting the effect of the winter season, and tends to see an increase in sales in the second and third quarters, reflecting the effect of the summer season.

7. SEGMENT INFORMATION

The chief operating decision-maker identifies with the executive directors, who review the group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on those reports.

The executive directors consider the business by geographical area of operations and from a product perspective they assess in a combined way the performance of "cement" and "ready-mix concrete and aggregates", since the two businesses, vertically integrated, are strictly interdependent. In particular, ready-mix concrete represents essentially a distribution channel for cement and does not require, for the chief operating decision-maker, evidence of separate results. The executive directors assess the performance of the reportable operating segments based, as main reference, on a measure of operating profit. Net finance costs and income tax expense are not included in the result of each operating segment reviewed by the executive directors.

The measurement of economic performance by segment is consistent with the one of the financial statements.

The segment named Central Europe consists of Germany, Luxembourg and the Netherlands. Eastern Europe covers Poland, the Czech Republic, Slovakia, Ukraine and Russia.

1st Half 2024

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico 100%	Brazil 100%
Segment revenue	414,407	463,672	346,451	836,492	(7,443)	**2,053,579**	552,404	186,877
Intersegment revenue	(7,443)	-	-	-	7,443	**-**	-	-
Revenue from external customers	406,964	463,672	346,451	836,492	-	**2,053,579**	552,404	186,877
Ebitda	107,882	78,646	86,088	280,090	-	**552,706**	254,542	44,548
Depreciation	(15,576)	(24,521)	(15,785)	(71,393)	(39)	**(127,314)**	(18,086)	(12,127)
Operating profit (EBIT)	92,306	54,125	70,303	208,697	(39)	**425,392**	236,456	32,421

1st Half 2023

(thousands of euro)	Italy	Central Europe	Eastern Europe	United States of America	Unallo-cated items and adjust-ments	Total	Mexico 100%	Brazil 100%
Segment revenue	424,075	537,400	357,220	846,779	(15,840)	**2,149,634**	500,238	189,724
Intersegment revenue	(15,242)	-	(598)	-	15,840	**-**	**-**	**-**
Revenue from external customers	408,833	537,400	356,622	846,779	-	**2,149,634**	500,238	189,724
Ebitda	98,581	112,704	107,086	256,883	-	**575,254**	227,269	38,286
Depreciation	(18,023)	(23,182)	(18,255)	(68,025)	(964)	**(128,449)**	(15,626)	(14,281)
Impairment charges	290	63	(1)	(45)	-	**307**	-	-
Operating profit (EBIT)	80,848	89,585	88,830	188,813	(964)	**447,112**	211,643	24,006

8. NET SALES

Revenues from contracts with customers derive from goods transferred at a specific time and from the rendering of services, whose breakdown by market is illustrated below:

	1st Half 2024		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	241,499	165,465	**406,964**
Germany	220,764	153,995	**374,759**
Luxembourg and the Netherlands	48,699	40,214	**88,913**
Poland	46,955	26,121	**73,076**
Czech Republic and Slovakia	33,738	62,362	**96,100**
Russia	132,537	-	**132,537**
Ukraine	42,795	1,943	**44,738**
United States of America	667,611	168,881	**836,492**
	1,434,598	**618,981**	**2,053,579**

	1st Half 2023		
(thousands of euro)	**Cement**	**Concrete and aggregates**	**Total**
Italy	244,537	164,296	**408,833**
Germany	251,410	170,721	**422,131**
Luxembourg and the Netherlands	55,393	59,876	**115,269**
Poland	54,204	21,758	**75,962**
Czech Republic and Slovakia	32,097	70,659	**102,756**
Russia	142,838	-	**142,838**
Ukraine	33,295	1,771	**35,066**
United States of America	674,539	172,240	**846,779**
	1,488,313	**661,321**	**2,149,634**

The 4.5% decrease compared to 2023 is due to unfavorable foreign currency effects for 1.3%, unfavorable market trends for 3.1% and changes in the scope of consolidation for 0.1%.

9. OTHER OPERATING INCOME

This line item consists of income arising both from the ordinary and the non-recurring course of business that is not attributable to core sales of goods and rendering of services.

(thousands of euro)	1st Half 2024	1st Half 2023
Recovery of expenses	3,314	3,714
Indemnity for damages	2,375	463
Revenue from leased properties	3,640	3,536
Gains on disposal of property, plant and equipment	4,841	5,418
Internal work capitalized	1,569	930
Other	12,248	12,856
	27,987	**26,917**

The caption gains on disposals of property, plant and equipment includes €2.906 thousand related to the sale of a concrete plant in Santena (Italy). as well as amounts related to the disposals of certain land, buildings and other minor assets mainly located in Germany, Poland and the United States.

The caption other includes, among others, the sale of environmental conservation certificates, freely allocated in Germany (€4,900 thousand) and the proceeds from the concession of certain silos for the storage of fly ash in the United States (€746 thousand).

10. RAW MATERIALS, SUPPLIES AND CONSUMABLES

(thousands of euro)	1st Half 2024	1st Half 2023
Raw materials, supplies and consumables	418,300	446,214
Finished goods and merchandise	29,403	52,940
Electricity	143,617	178,275
Fuels	114,260	159,286
Emission rights	-	(731)
Other goods	17,442	15,839
	723,022	**851,823**

11. SERVICES

(thousands of euro)	1st Half 2024	1st Half 2023
Transportation	247,333	244,309
Maintenance and contractual services	101,831	106,779
Insurance	8,289	8,482
Legal and professional consultancy	8,631	7,787
Operating leases of property and machinery	7,740	7,173
Travel	3,567	3,347
Other	65,614	58,536
	443,005	**436,413**

12. STAFF COSTS

(thousands of euro)	1st Half 2024	1st Half 2023
Salaries and wages	229,594	216,168
Social security contributions and defined contribution plans	70,576	66,145
Employee severance indemnities and defined benefit plans	5,407	4,766
Other long-term benefits	259	94
Other	2,368	1,491
	308,204	**288,664**

The average number of employees is the following:

(number)	1st Half 2024	1st Half 2023
White collar and executives	3,744	3,672
Blue collar and supervisors	5,954	5,870
	9,698	**9,542**

13. OTHER OPERATING EXPENSES

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

(thousands of euro)	1st Half 2024	1st Half 2023
Write-down of receivables	(536)	464
Provisions for liabilities and charges	4,010	3,498
Association dues	3,747	3,657
Indirect taxes and duties	21,601	19,097
Losses on disposal of property, plant and equipment	677	677
Other	6,842	8,490
	36,341	**35,883**

14. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(thousands of euro)	1st Half 2024	1st Half 2023
Intangible assets	1,950	2,208
Right-of-use assets	11,139	11,408
Property, plant and equipment	114,225	114,833
Impairment losses of non-current assets	-	(307)
	127,314	**128,142**

15. EQUITY IN EARNINGS OF ASSOCIATES AND JOINT VENTURES

The line item includes the share of profit (loss) of investments accounted for under the equity method and possible write-downs, set out in detail below:

(thousands of euro)	1st Half 2024	1st Half 2023
Associates		
Société des Ciments de Hadjar Soud EPE SpA	342	611
Société des Ciments de Sour El Ghozlane EPE SpA	2,184	2,154
Laterlite SpA	2,232	4,775
Alpacem Cement dd (formerly Salonit Anhovo Gradbeni Materiali dd)	2,251	3,224
Other associates	1,760	806
	8,769	**11,570**
Joint ventures		
Corporación Moctezuma, SAB de CV	64,319	52,257
Nacional Cimentos Participações SA	928	14,216
Other joint ventures	2,245	2,546
	67,492	**69,019**
	76,261	**80,589**

16. GAINS ON DISPOSAL OF INVESTMENTS

These are non-reccuring revenues, arising from the sale of the investment in the subsidiary Beton Du Ried Sas, which was previously consolidated line-by-line.

17. FINANCE REVENUES AND FINANCE COSTS

(thousands of euro)	1st Half 2024	1st Half 2023
Finance revenues		
Interest income on liquid assets	37,578	18,757
Interest income on plan assets of employee benefits	6,610	6,786
Changes in the fair value of derivative instruments	25,720	21,879
Foreign exchange gains	16,355	18,001
Dividend income	-	11
Other	2,902	3,217
	89,165	**68,651**
Finance costs		
Interest expense on bank borrowings	(11,623)	(12,106)
Interest expense on senior notes and bonds	-	(878)
Interest expense on employee benefits	(11,589)	(12,096)
Interest expense on lease liabilities	(1,336)	(1,287)
Discount unwinding on liabilities	(814)	(921)
Foreign exchange losses	(25,887)	(12,819)
Other	(8,145)	(3,623)
	(59,394)	**(43,730)**
Net finance costs	**29,771**	**24,921**

The improvement in net finance costs compared to the previous period was mainly influenced by higher interest income accrued on liquid assets.

18. INCOME TAX EXPENSE

(thousands of euro)	1st Half 2024	1st Half 2023
Current tax	112,592	116,847
Deferred tax	884	4,797
Tax relating to prior years	31	7
	113,507	**121,651**

19. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing net profit attributable to equity owners of the company by the weighted average number of shares outstanding during the period, excluding treasury shares.

		1st Half 2024	1st Half 2023
Net profit attributable to owners of the company	thousands of euro	421,749	431,095
Average number of shares outstanding		184,944,368	185,131,838
Basic earnings per share	euro	2.280	2.329

Diluted

Diluted earnings per share is calculated by adjusting the earnings and weighted average number of outstanding shares for the effects of dilutive options and other potential dilutive shares. Since there are no financial instruments outstanding with such features, basic and diluted earnings per share are the same in both periods.

20. GOODWILL AND OTHER INTANGIBLE ASSETS

		Other intangible assets			
(thousands of euro)	**Goodwill**	**Industrial patents, licenses and similar rights**	**Assets in progress and advances**	**Other**	**Total**
At 1 January 2024					
Cost/deemed cost	760,913	68,529	170	31,978	100,677
Accumulated depreciation and write-downs	(252,077)	(39,255)	-	(9,532)	(48,787)
Net book amount	**508,836**	**29,274**	**170**	**22,446**	**51,890**
1st Half 2024					
Opening net book amount	508,836	29,274	170	22,446	51,890
Exchange differences	1,098	992	-	-	992
Additions	-	787	92	-	879
Amortization	-	(1,126)	-	(824)	(1,950)
Reclassifications	-	155	-	1	156
Closing net book amount	**509,934**	**30,082**	**262**	**21,623**	**51,967**
At 30 June 2024					
Cost/deemed cost	762,046	70,914	262	31,978	103,154
Accumulated depreciation and write-downs	(252,112)	(40,832)	-	(10,355)	(51,187)
Net book amount	**509,934**	**30,082**	**262**	**21,623**	**51,967**

At 30 June 2024, the column industrial patents, licenses and similar rights is made up of industrial licenses (€21,648 thousand), application software for plant and office automation (€2,717 thousand), mining rights (€5,674 thousand), industrial patents (€43 thousand).

The column other includes the customer list resulting from the business combination Testi Cementi Srl, Borgo Cementi Srl and Arquata Cementi Srl, which took place in 2019, for €20,073 thousand net of related deferred taxes.

The exchange differences on the goodwill refer to the CGU United States (favorable impact of €1,047 thousand) and to the CGU Poland (favorable impact of €51 thousand).

Goodwill at 30 June 2024 amounts to €509,934 thousand and is broken down as follows:

(thousands of euro)	30.06.2024	31.12.2023
Italy	76,114	76,114
United States of America	40,717	39,670
Germany	129,995	129,995
Luxembourg	69,104	69,104
Poland	88,060	88,009
Czech Republic/Slovakia	105,944	105,944
	509,934	**508,836**

As at 30 June 2024, the company assessed the presence of potential impairment indicators related to the group's CGUs.
Based on the information available to date, no indicators have been found that require testing of the recoverable amount of the assets and therefore no tests were performed.

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Other	Total
At 1 January 2024					
Cost/deemed cost	43,319	10,792	91,499	22,840	168,450
Accumulated depreciation and write-downs	(19,617)	(5,549)	(55,707)	(13,115)	(93,988)
Net book amount	**23,702**	**5,243**	**35,792**	**9,725**	**74,462**
1st Half 2024					
Opening net book amount	23,702	5,243	35,792	9,725	74,462
Exchange differences	53	(19)	1,140	73	1,247
Additions and other	4,265	1,245	5,149	3,052	13,711
Extinctions	(191)	(200)	172	(191)	(410)
Amortization	(2,458)	(732)	(5,315)	(2,634)	(11,139)
Reclassifications	(88)	75	-	16	3
Closing net book amount	**25,283**	**5,612**	**36,938**	**10,041**	**77,874**
At 30 June 2024					
Cost/deemed cost	46,680	10,888	99,469	23,764	180,801
Accumulated depreciation and write-downs	(21,397)	(5,276)	(62,531)	(13,723)	(102,927)
Net book amount	**25,283**	**5,612**	**36,938**	**10,041**	**77,874**

Lease liabilities recorded in the balance sheet at 30 June 2024 amount to €79,709 thousand.

22. PROPERTY, PLANT AND EQUIPMENT

(thousands of euro)	Land and buildings	Plant and machinery	Industrial and commercial equipment	Assets in progress and advances	Other	Total
At 1 January 2024						
Cost/deemed cost	3,015,257	5,022,448	486,046	228,630	157,858	8,910,239
Accumulated depreciation and write-downs	(1,285,308)	(4,012,290)	(340,476)	(6,609)	(115,018)	(5,759,701)
Net book amount	**1,729,949**	**1,010,158**	**145,570**	**222,021**	**42,840**	**3,150,538**
1st Half 2024						
Opening net book amount	1,729,949	1,010,158	145,570	222,021	42,840	3,150,538
Exchange differences	45,546	21,377	5,494	6,050	1,216	79,683
Additions	32,538	31,060	26,496	127,420	1,373	218,887
Change in scope of consolidation	(23)	(259)	(33)	-	-	(315)
Disposals and other	(305)	(406)	(437)	504	(293)	(937)
Depreciation	(21,312)	(71,914)	(15,813)	-	(5,186)	(114,225)
Reclassifications	8,554	39,984	6,919	(62,616)	6,980	(179)
Closing net book amount	**1,794,947**	**1,030,000**	**168,196**	**293,379**	**46,930**	**3,333,452**
At 30 June 2024						
Cost/deemed cost	3,116,350	5,136,405	521,110	300,158	168,359	9,242,382
Accumulated depreciation and write-downs	(1,321,403)	(4,106,405)	(352,914)	(6,779)	(121,429)	(5,908,930)
Net book amount	**1,794,947**	**1,030,000**	**168,196**	**293,379**	**46,930**	**3,333,452**

Additions in the first six months of 2024 amount to €218,887 thousand. In the cash flow statement and in the business review of operations capital expenditures are reported according to the actual outflows (€216,714 thousand).

Positive exchange differences of €79,683 thousand reflect the weakening of the euro in respect to several foreign currencies, mainly the dollar (€64,926 thousand) and the ruble (€16,127 thousand). In the first half of 2023, translation differences had been overall negative for a total of €73,312 thousand.

The change in the scope of consolidation refers to the assets of the subsidiary Beton Du Ried Sas, which was sold in the first half of 2024.

23. INVESTMENT PROPERTY

(thousands of euro)	30.06.2024	31.12.2023
At 1 January		
Cost/deemed cost	20,215	20,252
Accumulated depreciation and write-downs	(2,691)	(2,691)
Net book amount	**17,524**	**17,561**
Exchange differences	34	(37)
Disposals and other	(562)	-
At 31 December	**16,996**	**17,524**
Cost/deemed cost	19,687	20,215
Accumulated depreciation and write-downs	(2,691)	(2,691)
Net book amount	**16,996**	**17,524**

The caption disposals and other refers to the sale of agricultural and industrial land and buildings near Riva Del Garda (Trento).

24. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The amounts recognized in the balance sheet are as follows:

(thousands of euro)	30.06.2024	31.12.2023
Associates valued by the equity method	188,456	183,080
Joint ventures valued by the equity method	432,719	450,523
	621,175	**633,603**

The net decrease of €12,428 thousand was mainly affected: upwards by the share of investee’s earnings for €76,261 thousand; downwards by dividends received for €57,586 thousand, by exchange differences for €24,844 thousand and by the purchase of treasury shares by the Mexican company Corporación Moctezuma, SAB de CV for €3,795 thousand.

24.1 Interests in associates

Set out below are the associates which, in the opinion of the directors, are material to the group at 30 June 2024. These associates have a share capital consisting solely of ordinary shares, which are held directly or indirectly by the company. The country of incorporation is also their principal place of business.

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Société des Ciments de Hadjar Soud EPE SpA	Algeria	35.0	41,475	Equity
Société des Ciments de Sour El Ghozlane EPE SpA	Algeria	35.0	38,156	Equity
Alpacem Cement dd (formerly Salonit Anhovo Gradbeni Materiali dd)	Slovenia	25.0	44,384	Equity
Laterlite SpA	Italy	33.3	35,174	Equity

24.2 Interests in joint ventures

Set out below are the two joint ventures which, in the opinion of the directors, are material to the group at 30 June 2024:

Name of the entity	Place of business/country of incorporation	% of ownership interest	Book value	Measurement method
Corporación Moctezuma, SAB de CV	Mexico	33.0	248,480	Equity
Nacional Cimentos Participações SA	Brazil	50.0	169,863	Equity

On 17 May 2024, Buzzi SpA received the notice of exercise of the put option granted, under existing agreements, to Grupo Ricardo Brennand, concerning the sale of the remaining 50% of Nacional Cimentos Participações SA, the 50/50 joint venture through which Buzzi has been operating in Brazil since 2018.
The execution of the sale agreement, following the exercise of the put option, is subject to a series of suspensive conditions.

25. EQUITY INVESTMENTS AT FAIR VALUE

The line item refers to investments in unconsolidated subsidiaries and in other companies, all of them unlisted.

(thousands of euro)	Subsidiaries	Other	Total
At 1 January 2023	322	10,404	10,726
Additions	-	751	751
Fair value changes	-	261	261
At 30 June 2024	**322**	**11,416**	**11,738**

It increased due to the acquisition of an interest of 5% in Oristano CAP Srl, a recently established company operating in the offshore wind power sector.

26. OTHER NON-CURRENT ASSETS

(thousands of euro)	30.06.2024	31.12.2023
Loans to third parties and leasing	4,491	4,404
Loans to associates and joint ventures	227,163	220,005
Loans to customers	9,825	9,509
Tax receivables	703	703
Receivables from personnel	1,062	769
Guarantee deposits	14,000	13,315
Other	16,059	16,566
	273,303	**265,271**

Loans to third parties and leasing are mostly interest-bearing and adequately secured.

Loans to associates and joint ventures refer to the financing granted to Companhia Nacional de Cimento (CNC, a wholly-owned subsidiary of Nacional Cimentos Participações SA), for the acquisition of the CRH group companies operating in Brazil that took place in 2021. The fair value amounts to €214,936 thousand and is attributable to level 2 of the relative hierarchy

Loans to customers are granted to some major accounts in the United States; they bear interest at market rates, are adequately secured and are performing regularly.

Guarantee deposits represent assets held in trust to secure the payment of benefits under certain pension plans in the United States for €12,926 thousand, besides insurance deposits.

27. INVENTORIES

(thousands of euro)	30.06.2024	31.12.2023
Raw materials, supplies and consumables	444,938	434,391
Work in progress	112,983	128,016
Finished goods and merchandise	111,185	113,390
Advances	1,299	1,528
Emission rights	101,122	76,944
	771,527	**754,269**

Increases and decreases of the various categories depend on the trend in production and sales, on the price of factors employed, as well as on changes in the exchange rates used for the translation of foreign financial statements.

The amount shown is net of an allowance for obsolescence of €38,339 thousand (2023: €37,317 thousand).

28. Trade receivables

(thousands of euro)	30.06.2024	31.12.2023
Trade receivables	664,835	559,435
Less: Loss allowance	(12,851)	(13,050)
Trade receivables, net	**651,984**	**546,385**
Other trade receivables:		
From associates	18,971	19,177
From parent companies	30	48
	670,985	**565,610**

Trade receivables are non-interest bearing and generally have a maturity between 20 and 150 days.

The increase of €105,375 thousand in net trade receivables is attributable to the business seasonality.

29 OTHER RECEIVABLES

(thousands of euro)	30.06.2024	31.12.2023
Tax receivables	68,760	62,891
Receivables from social security institutions	1,401	586
Receivables from unconsolidated subsidiaries and associates	2,167	2,680
Receivables from suppliers	15,256	14,619
Receivables from personnel	158	268
Current financial assets	103,463	141,201
Loans to third parties and leasing	254	334
Accrued interest income	10,196	6,214
Other accrued income and prepaid expenses	21,817	15,488
Other	17,640	10,944
	241,112	**255,225**

Tax receivables include income tax payments in advance, and the debit balance, if any, of periodic value added tax liquidation (€14,879 thousand). This caption also includes the amounts owed by the ultimate parent Fimedi SpA to the Italian companies that are members of the consolidated tax return for domestic income tax purpose (note 47)s

Receivables from suppliers include advances on the procurement of gas, electricity and other services.

Other current financial assets mainly include time deposits in Italy, with a maturity exceeding 3 months.

30. DERIVATIVE FINANCIAL INSTRUMENTS

At 30 June 2024 the value of the instrument relating to the put/call option on the remaining 50% of the share capital of Nacional Cimentos Participações SA corresponds, based on the calculation method agreed upon by the parties, to an asset of €20,933 thousand. It is defined as the differential between the exercise price of the option and the fair value of the share to be acquired. The positive change in the fair value of the derivative was taken through the income statement (note 17). On 17 May 2024, Grupo Ricardo Brennand notified Buzzi SpA of the exercise of the put option for the sale of the remaining 50% of Nacional Cimentos Participações SA. The execution of the sale agreement, following the exercise of the put option, is subject to a series of suspensive conditions (Note 24.2).

The main characteristics and the estimated fair value of the derivative instruments currently in place are summarized below:

	30.06.2024		31.12.2023	
(thousands of euro)	Notional	Fair value	Notional	Fair value
Nacional Cimentos Participações SA takeover option	310,305	20,933	320,178	(4,787)

31. CASH AND CASH EQUIVALENTS

(thousands of euro)	30.06.2024	31.12.2023
Cash at banks and in hand	839,572	727,888
Short-term deposits	492,104	392,824
	1,331,676	**1,120,712**

Foreign operating companies hold 60.3% of the balance of €1,331,676 thousand (60.4% in 2023). At the closing date, short-term deposits and securities earn interest at about 5.89% on average (5.68% in 2023), yield in euro is around 3.46%, in dollar 5.20% and in other currencies 9.92%. The average maturity of such deposits and securities is lower than 60 days.

32. ASSETS AND LIABILITIES HELD FOR SALE

They mainly refer to reclassified assets and liabilities following the agreement reached with CRH on 20 June 2023, which provides for the sale of the investments in the Ukrainian subsidiaries, specified in detail as follows:

(thousands of euro)	Ukraine
Assets held for sale	
Other intangible assets	2,863
Right-of-use assets	148
Property, plant and equipment	32,376
Other non-current assets	1
Inventories	30,744
Trade receivables	1,358
Other receivables	2,838
Cash and cash equivalents	3,506
	73,834
Liabilities held for sale	
Lease liabilities	168
Employee benefits	1,337
Provisions for liabilities and charges	1,323
Current portion of lease liabilities	3
Trade payables	6,767
Other payables	2,301
	11,899
Net asset value	**61,935**

The completion of the transaction in Ukraine is subject to the granting of the required regulatory authorisations and, based on the information available to date, is expected to take place in the second half of 2024.

The item also includes the net assets of the Fanna plant (Pordenone), reclassified following the agreement for the sale to the associate Alpacem Cementi Italia SpA, signed on 4 August 2023. As part of the transaction, Buzzi SpA will subscribe a 25% stake in the capital of the Austrian Alpacem Zement Austria GmbH.
Below is the breakdowm of the amounts involved:

(thousands of euro)	**Fanna Cementi**
Assets held for sale	
Other intangible assets	94
Property, plant and equipment	22,005
Other non-current assets	50
Inventories	10,069
Other receivables	118
	32,336
Liabilities held for sale	
Employee benefits	430
Provisions for liabilities and charges	492
Other payables	732
	1,654
Net asset value	**30,682**

33. SHARE CAPITAL

The share capital, unchanged at €123,637 thousand, fully subscribed and paid up, is currently divided into 192,626,154 ordinary shares without nominal value.

During 2024, the number of outstanding shares changed as a result of the purchase of 1,369,925 treasury shares for a counter value of €52,774 thousand. As at 30 June 2024, the number of shares outstanding is as follows:

(number of shares)	**30.06.2024**	**31.12.2023**
Shares issued	192,626,154	192,626,154
Less: Treasury shares	(8,864,241)	(7,494,316)
Outstanding at end of period	**183,761,913**	**185,131,838**

34. OTHER RESERVES

This line item encompasses several captions, which are listed and described here below:

(thousands of euro)	**30.06.2024**	**31.12.2023**
Exchange differences	(316,434)	(415,954)
Revaluation reserves	88,286	88,286
Merger surplus	249,177	249,177
Other	127,990	128,946
	149,019	**50,455**

Exchange differences reflect the exchange rate fluctuations that occurred starting from the first-time consolidation of financial statements denominated in foreign currencies. The net positive change of €99,520 thousand results from two opposite effects: increase of €96,229 thousand due to the strengthening of the US dollar, €30,180 thousand of the Russian ruble and €2,254 thousand of the Algerian dinar; decrease of €16,703 thousand due to the depreciation of the Brazilian real, €11,127 thousand of the Mexican peso, €1,313 thousand of other currencies in Eastern Europe.

35. NON-CONTROLLING INTERESTS

The balance refers to Cimalux SA for €3,588 thousand and to Betonmortel Centrale Groningen (B.C.G.) BV for €1,387 thousand.

36. DEBT AND BORROWINGS

(thousands of euro)	30.06.2024	31.12.2023
Long-term debt		
Unsecured term loans	492,216	338,697
	492,216	**338,697**
Current portion of long-term debt		
Unsecured term loans	215,147	265,226
	215,147	**265,226**
Short-term debt		
Bank debts	314	-
Accrued interest expense	7,710	4,965
	8,024	**4,965**

In the first six months of the year, there were proceeds from new borrowings amounting to €149,527 thousand and principal repayments of €50,209 thousand were made.

The following table summarizes the carrying amounts of the borrowings compared with their fair value:

	30.06.2024		31.12.2023	
(thousands of euro)	Carrying amount	Fair value	Carrying amount	Fair value
Floating rate borrowings				
Unsecured term loans	349,167	359,423	199,527	204,860
Fix rate borrowings				
Unsecured term loans	358,510	365,224	404,396	405,481
	707,677	**724,647**	**603,923**	**610,341**

The fair values are based on the cash flows discounted at current borrowing rates for the group and are within level 2 of the specific hierarchy.

37 EMPLOYEE BENEFITS

The obligations for employee benefits are analyzed as follows:

(thousands of euro)	30.06.2024	31.12.2023
By category		
Post-employment benefits:		
Pension plans	164,137	184,452
Healthcare plans	63,438	64,553
Employee severance indemnities	9,929	10,501
Other long-term benefits	8,429	8,264
	245,933	**267,770**

Defined benefit plan assets, amounting to €2,003 thousand, shown separately under non-current assets, relate to a specific situation in the United States, i.e. a positive difference between the fair value of plan assets and the obligation towards a certain category of employees.The value of pension plans is net of the fair value of the plan assets and is within Level 2 of the specified hierarchy.

38. PROVISIONS FOR LIABILITIES AND CHARGES

(thousands of euro)	Environmental risks and restoration	Antitrust	Legal claims Tax risks	Other risks	Total
At 1 January 2023	65,609	7,237	7,673	28,526	109,045
Additional provisions	763	-	2,016	5,044	7,823
Discount unwinding	744	-	-	-	744
Unused amounts released	(7)	-	(286)	(88)	(381)
Used during the period	(411)	-	(90)	(9,520)	(10,021)
Exchange differences	239	51	126	621	1,037
Change in scope of consolidation	(115)	-	-	-	(115)
Other changes	63	-	992	-	1,055
At 30 June 2024	**66,885**	**7,288**	**10,431**	**24,583**	**109,187**

The provision for antitrust refers to the likely imposition of a penalty in Poland (cement sector), following the Supreme Court's decision to refer the 2015 case back to the Court of Appeal (note 46).

The column other risks includes the provision for CO_2 emission rights, which encompasses the liabilities deriving from emissions greater than the free allocations, to be fulfilled by purchasing the rights on the market. Changes during the period mainly relate to uses of €5,875 thousand, matching the emission rights accrued in 2023 and surrendered to the competent authority during the reporting period.

Other risks also include provisions of €4,051 thousand and uses of €3,388 thousand relating to claims not covered by insurance, such as indemnities payable to employees and compensation in case of accidents.

39. OTHER NON-CURRENT LIABILITIES

(number of shares)	30.06.2024	31.12.2023
Purchase of equity investments	117	121
Non-controlling interests in partnerships	1,377	1,618
Payables to personnel	523	527
Other	2,392	2,743
	4,409	**5,009**

Other non-current liabilities are all due within five years from the balance sheet date, except for the caption non-controlling interests in partnerships, whose maturity is indefinite. The carrying amount of the line item is deemed to approximate its fair value.

40. TRADE PAYABLES

(thousands of euro)	30.06.2024	31.12.2023
Trade payables	306,398	313,959
Other trade payables:		
To associates	2,251	1,770
	308,649	**315,729**

Trade payables are non-interest-bearing and are generally due within 90 days.

41. INCOME TAX PAYABLES

This item reflects current income tax liabilities, net of advances, withholdings and tax credits.

42. OTHER PAYABLES

(thousands of euro)	30.06.2024	31.12.2023
Advances	6,074	6,441
Payables to social security institutions	16,341	17,836
Payables to personnel	41,830	45,566
Payables to customers	5,722	7,206
Deferred interest income	-	7
Other accrued expenses and deferred income	10,558	10,331
Tax payables	32,624	18,992
Financial tax payables	16,253	17,065
Other	17,303	12,900
	146,705	**136,344**

Payables to customers are represented by contractual liabilities, namely short-term advances received following the sale of products and by the volume rebates settled in a separate transaction with the customer.

The caption tax payables includes the credit balance of periodic value added tax for €19,793 thousand (2023: €6,263 thousand).

Financial tax payables mainly relate to the pending litigation with the municipality of Guidonia (Rome) regarding property taxes (ICI and IMU) (Note 46).

43. CASH GENERATED FROM OPERATIONS

(thousands of euro)	1st Half 2024	1st Half 2023
Profit before tax	**535,374**	**552,865**
Adjustments for:		
Depreciation and amortization	127,314	127,835
Impairment charges	-	307
Equity in earnings of associates and joint ventures	(76,261)	(80,589)
Gains on disposal of fixed assets	(8,114)	(4,983)
Net change in provisions and employee benefits	(13,935)	(52,752)
Net finance costs	(29,771)	(24,921)
Other non-cash movements	(2,568)	(1,094)
Changes in operating assets and liabilities:		
Inventories	(7,361)	(7,496)
Trade and other receivables	(94,899)	(139,778)
Trade and other payables	(6,292)	18,588
Cash generated from operations	**423,487**	**387,982**

44. DIVIDENDS

Dividends declared by the shareholders' meeting in 2024 and 2023 were €110,961 and €83,309 thousand respectively (60 and 45 cents per share).

45. COMMITMENTS

(thousands of euro)	30.06.2024	31.12.2023
Guarantees granted	25,146	27,242
Other commitments and guarantees	152,886	113,365
	178,032	**140,607**

Guarantees granted include commitments toward banks in favor of investee companies, including an amount of €15,487 thousand for loans granted to the associate Nacional Cimentos Participações SA.

Capital expenditure contracted for at the balance sheet date to acquire property, plant and equipment amounts to €152,754 thousand (€113,365 thousand in 2023).

46. LEGAL CLAIMS AND CONTINGENCIES

Buzzi is exposed to legal risks, stemming from the variety and complexity of the norms and regulations that apply to the industrial operations of the group, particularly in the areas of environment, health, safety, product liability, taxation and competition. Consequently, there are claims arising in the normal course of business that are pending against the group. While it is not feasible to predict in a precise way the outcome of any case, it is the opinion of management that the ultimate dispositions will not have a material adverse effect on the group’s financial condition. Instead, when it is likely that an outflow of resources is required to settle obligations and the amount can be reliably estimated, the group recognizes specific provisions for this purpose.

Fiscal

In 2016 the company was subject to audit by the Revenue Service for the year 2012 and controls on subsequent years (from 2013 to 2017). The Revenue Service followed-up in December 2017, December 2018, July 2019 and April 2024 by notifying assessment notices relating to the 2012, 2013, 2014, 2015, 2016 and 2017 financial years, containing remarks on the corporate income tax (IRES) and the regional tax on production activities (IRAP). The greater taxable amount contested in the notices of assessment refers to the failure to charge a royalty to Buzzi's foreign subsidiaries in the USA and Germany for the use of the corporate logo. For IRES and IRAP purposes, the higher taxable amount established for the six years totals approximately €86,8 million. For IRES purposes, for all six years the declared tax loss is higher than the disputed amounts, therefore no higher IRES, interest or penalties are due. On the other hand, for IRAP purposes, the assessment entails a request, only for the years 2012, 2013 and 2014, for higher taxes and interest for approximately €2.0 million. For the years 2015 and 2016 the declared negative taxable amount is higher than the disputed amounts, therefore for these financial years no higher IRAP, interests and penalties are due. It should be noted that the company has always submitted transfer pricing documentation for the fiscal years under dispute, with the corresponding recognition by the Revenue Agency of the non-application of penalties. Therefore, with the exception of minor findings related to the 2012 fiscal year that do not concern intercompany transactions, no penalties have been imposed by the Agency. The company has filed an appeal against the assessment notices referred to the years 2012, 2013, 2014, 2015 and 2016, for 2017 the appeal will be filed within the legal deadlines. The company has, for the years in litigation from 2012 to 2016, requested the initiation of the 'mutual agreement procedure' (MAP) provided for in the treaties in force with the Countries involved, considering that the defense elements are well-grounded and sound and the risk of losing is remote.
Following the conclusion of the ‘mutual agreement procedure’ (MAP) with the United States for all the years subject to the dispute, the Revenue Service on 26 November 2021 communicated that the competent Italian and US authorities agreed to redetermine the adjustments by the Italian tax administration to a significantly more favorable extent than the remarks made during the assessment, with a partial recognition of this adjustment by the US authority. The company decided to accept this agreement, but its execution with the United States will be carried out at the conclusion of the mutual agreement procedure still in place on the same issues with Germany. The company, therefore, set aside the higher tax deriving from the acceptance of the agreement with the United States (approximately €185 thousand) to provision for risks and charges, while maintaining the registration, made in previous years, of the receivable for the sums paid on a provisional basis pending judgment, until the final conclusion of the dispute. For completeness, it should be noted that on 22 July 2024, following a targeted inspection of the company, the Revenue Agency delivered a Tax Assessment Report containing observations on transfer pricing for the 2018 fiscal year. Due to the short period of time that has elapsed since the conclusion of the audit, the company has not yet received any notice of assessment.

Between 2015 and 2023 the municipality of Guidonia Montecelio (Rome) notified Buzzi some notices of assessment related to higher ICI/IMU and TASI, besides penalties and interests, regarding the years from 2008 to 2022 for a total amount of approximately €30.5 million. The municipality bases its request on the assumption that the land belonging to Buzzi which is used to quarry raw materials can be comparable, for the purpose of local property taxes, to land for development. Considering this request as incorrect and, subordinately, that the market values of the aforementioned properties used as a reference for the calculation of the tax are completely unfair, the company challenged all the tax deeds received before the competent Tax Courts of Justice. Tax Court of First Instance of Rome and Regional Court of Second Instance of Lazio have filed several unfavorable judgments to the company, which Buzzi, considering that it has valid reasons, challenged. In this regard, the first rulings by the Court of Cassation have been issued, with partially positive outcomes. The cases were remanded to the Tax Court of Second Instance to reassess the actual market value of all the lands. Furthermore, it was established that only the penalty for failure to declare is applicable, with the application of the legal cumulation of penalties for continued offenses. The appeals for reconsideration before the Tax Court of Second Instance have been properly filed and are ongoing. With reference to some of the years for which Buzzi was losing at the outcome of the first or the second instance judgment, the municipality ordered the provisional payment of an amount of approximately €4.9 million, which the company paid in full, as well as of an amount of approximately €3.1 million which was partly not due as a result of the judgment at second instance. In any case, Buzzi will request the reimbursement of the amounts paid on a provisional basis which, following the respective appeal proceedings, were not or will not be due. The company fully recorded the higher taxes in the balance sheet, with the related interest and penalties, to the extent required for all the years in which the appeals were rejected. The company, finally, keeps in the balance sheet the amounts requested always by the Municipality of Guidonia Montecelio (Rome) with the immediately enforceable notices of assessment.

Antitrust
As regards the antitrust fine of €59.8 million imposed on 7 August 2017 on Buzzi and other cement companies for having created an alleged anti-competitive agreement, which lasted from June 2011 until January 2016, it should be pointed out that, on 21 December 2023, the European Court of Human Rights (ECHR) declared as inadmissible the appeal for the request for compensation presented on 22 May 2020. The Court's decision is final and cannot be subject to further appeals. In relation to the actions sanctioned by the Italian Antitrust Authority, Buzzi has received several letters requesting compensation, to which it has always replied rejecting all charges. To date, the company has pending proceedings for damages as a result of the alleged overcharge paid following the agreement sanctioned by the Italian Antitrust Authority, for a total amount of approximately €24 million, in addition to three summons (relating to a plurality of plaintiffs) for a total of approximately €109 million, of which about €13 million directly attributable to Buzzi. The company, as mentioned, believes that it has acted in full compliance with antitrust regulations and has therefore appealed before the court to prove its non-involvement in any violation.

Against the decision of the Antitrust Authority of Poland concluded by imposing sanctions on 6 producers, including the subsidiary Dyckerhoff Polska, for an amount of approximately €15 million, an appeal was filed before the Regional Court of Warsaw which ruled in December 2013 reducing the fine to approximately €12.3 million. Dyckerhoff Polska appealed against the recalculation of the penalty. The Court of Appeal, following a procedure of consultation with the Polish Constitutional Court, summarized the proceeding in January 2018 and in the hearing of 27 March 2018 decided to further reduce the fine to approximately €7.5 million, which have been fully paid. The company, once the motivations for the judgment had been acquired, decided to challenge the decision before the Supreme Court. On 29 July 2020, the Supreme Court cancelled the decision of the Court of Appeal and referred the case back to the same Court for a reconsideration of the sanction. As a result of this decision, the penalty paid was reimbursed to the company, but based on the motivations of the Supreme Court, it is likely that a new penalty for a similar amount will be imposed. The company has therefore recorded a provision equal to the reimbursed penalty in the financial statements. On 21 May 2021, the Court of Appeal decided to refer the proceedings to the Warsaw Regional Court for further investigation. The decision was appealed by the Polish Antitrust Authority and then deferred by decision of 15 March 2023 to the European Court of Justice for the assessment of a dispute by Cemex Poland on the composition of the Court itself.

Environmental

As regards the measures adopted for the remediation of the Augusta (Siracusa) roadstead, the land areas and the respective underneath aquifers, Buzzi is involved in a number of proceedings before the Regional Administrative Court (TAR) of Sicily – Catania division – and the Administrative Justice Council of Sicily (CGARS) against the former Ministry for Environment, Land and Sea Protection and various public and private entities, which were subsequently closed due to lack of interest following the favorable rulings obtained. In particular, the TAR of Sicily, Catania, with judgment dated 11 September 2012, not appealed by the Ministry, acknowledged that the company was not involved at all in the pollution of the Augusta roadstead and, on the basis of this ruling, at the end of 2017 the Ministry warned the other companies operating on the Augusta roadstead, with the exception of Buzzi, to clean up the roadstead. Furthermore the CGARS, with sentence of 15 November 2018, established the need to correctly re-determine the responsibilities of the companies operating on the Augusta roadstead, making reference to the various positions, including that of Buzzi. Also following this judgement, no further involvement of the company followed in relation to the remediation of the roadstead, with respect to which the absence of a causal link with the production cycle of the Augusta cement plant seems to be consolidated. In conclusion, any potential critical issues seem to be limited to Buzzi's involvement in the remediation of the land areas and the aquifer, about which the company has carried out on its own, qualifying itself as the guiltless owner of the contamination, the procedural formalities aimed at the characterization, risk analysis and remediation and/or permanent safety enhancement of land areas and the portions of the aquifer concerned. These obligations, on which the Ministry of the Environment has expressed a positive opinion, with prescriptions, also through decision-making meetings, which the company has not contested, are in progress without any new relevant critical issue emerging during the monitoring activities.
Waiting for the developments related to the above actions, in consideration of the fact that Buzzi has so far voluntarily taken care of the remediation process, and that no specific requests from the Public Administration have emerged in recent years, it has been decided to maintain a provision for risks of €1.5 million.

In the United States of America, numerous lawsuits and claims exist that have been filed against Lone Star Industries, Inc. (LSI) regarding silica-containing or asbestos-containing materials sold or distributed by the company or its subsidiaries in the past and used primarily in construction and other industries. The plaintiffs allege that the use of such materials caused work-related injuries. LSI maintained product liability and comprehensive general liability insurance coverage, to the extent available, for most of the time that it sold or distributed silica-containing and asbestos-containing materials. Further, between 2009 and 2010, LSI and its major insurance carriers entered into settlement agreements that define the parties' responsibilities and cost shares for these liabilities until amended or terminated in accordance with their terms. LSI and the insurance carriers are in the process of negotiating amendments to the settlement agreements. The insurance carriers continue to follow the settlement agreements and no carrier has provided notice of termination. Estimating the costs associated with silica-related and asbestos-related claims involves many uncertainties that affect the amount and timing of any losses. In addition, LSI has exhausted coverage under certain insurance policies. The company however maintains a provision for amounts not expected to be covered by insurance.

Other legal proceedings

Our Luxembourg subsidiary Cimalux SA has been sued by the the bankruptcy trustee of an investment sold in December 2008 for €0.5 million as part of the sale price paid to our subsidiary. The request, also made against the notary who had drawn up the sale contract in 2008, is based on the alleged nullity of the sale contract as it was concluded during the insolvency dispute period. The Court of First Instance rejected the request against Cimalux, but accepted the request against the notary who appealed against this decision. The bankruptcy trustee also filed an appeal. Cimalux will continue to defend itself in the proceeding and does not expect a negative impact on the financial statements.

7. RELATED-PARTY TRANSACTIONS

The company assembles the professional skills, the human resources and the equipment that allow it to provide assistance to other subsidiaries and associates.

Buzzi SpA regularly carries out trading transactions with a number of associates and/or joint ventures, which mainly consist of both the sale and purchase of finished goods, semi-finished products, raw materials and transportation services to entities operating in the business of cement, ready-mix concrete and services. Furthermore, the company provides upon request to the same entities technical and engineering services. Goods are sold on the basis of the price lists in force with non-related parties and services are rendered on a cost-plus basis. There are also some transactions of financial nature with investee and parent companies; equally, they have normal terms and interest rate conditions.

The relationship with the parent company Fimedi SpA and its subsidiaries or other entities that are significantly influenced by individuals with considerable voting power in Fimedi SpA, consists in the rendering of services in the area of administration, taxation, legal affairs, payroll and information systems, for limited amounts.

The company and its Italian subsidiaries Buzzi Unicem Srl, Unical SpA and Testi Cementi Srl, are members of a controlled group of corporations for domestic income tax purposes, with Fimedi SpA acting as the parent.

Set out below are the main transactions carried out with related parties and the corresponding balances at the end of the period:

(thousands of euro)	1st Half 2024	in % of reported balance	1st Half 2023	in % of reported balance
Sales of goods and services:	33,071	1.6	31,238	1.4
associates and unconsolidated subsidiaries	21,357		19,878	
joint ventures	11,562		11,317	
parent companies	14		14	
other related parties	138		29	
Purchases of goods and services:	45,224	3.8	47,480	3.6
associates and unconsolidated subsidiaries	44,922		46,428	
joint ventures	79		626	
other related parties	223		426	
Internal works capitalized:	-	-	2	0.2
other related parties	-		2	
Finance revenues:	2,015	2.3	2,025	2.9
associates and unconsolidated subsidiaries	36		92	
joint ventures	1,979		1,933	
Trade receivables:	19,044	2.8	17,184	2.6
associates and unconsolidated subsidiaries	11,473		9,546	
joint ventures	7,501		7,588	
parent companies	14		14	
other related parties	56		36	
Loans receivable:	229,332	91.4	226,538	93.6
associates and unconsolidated subsidiaries	2,441		3,009	
joint ventures	226,891		223,529	
Other receivables:	43,495	16.5	19,012	6.7
associates and unconsolidated subsidiaries	4,096		3,245	
joint ventures	6,818		6,117	
parent companies	32,581		9,650	
Trade payables:	5,676	1.8	6,966	2.2
associates and unconsolidated subsidiaries	5,548		6,630	
joint ventures	46		165	
other related parties	82		171	
Other payables:	23,955	15.8	698	0.5
associates and unconsolidated subsidiaries	1		1	
parent companies	23,954		697	
Dividends paid:	61,200	55.2	45,900	55.1
parent companies	61,200		45,900	
Guarantees granted:	16,987		27,989	
joint ventures	16,987		27,989	

Key management includes the directors of the company (executive or not) and the statutory auditors. As a consequence of the new operational and organizational structure of the company and the group, the Board of Directors, on 3 August 2023, identified the new key management in the Chief Executive Officer (CEO), the General Manager and the Chief Technology Officer (CTO).
Their compensation, not included in the previous table, is shown below:

(thousands of euro)	**1st Half 2024**	**1st Half 2023**
Salaries and other short-term employee benefits	1,592	2,401
Post-employments benefits	102	644
	1,694	**3,045**

48. OTHER INFORMATION

Material non-recurring events and transactions

As stated in the management report, the six months period ended 30 June 2024 was affected by material non-recurring events and transactions, as defined in Consob Communication no. DEM/6064293 of 28 July 2006, with a net positive impact on EBITDA of €4,453 thousand.

Atypical and/or unusual transactions

Please note that Buzzi did not carry out atypical and/or unusual transactions during the six months period ended 30 June 2024, as defined in Consob Communication no. DEM/6064293 of 28 July 2006.

Net financial position

The net financial position as at 30 June 2024 is shown in the following table:

(thousands of euro)	30.06.2024	31.12.2023
Cash and short-term financial assets:		
Cash and cash equivalents	1,331,676	1,120,712
Derivative financial instruments	20,933	-
Other current financial receivables	116,080	150,429
Short-term financial liabilities:		
Current portion of long-term debt	(215,147)	(265,226)
Current portion of lease liabilities	(20,537)	(19,651)
Short-term debt	(8,024)	(4,965)
Other current financial liabilities	(16,533)	(17,072)
Net short-term cash	**1,208,448**	**964,227**
Long-term financial liabilities:		
Long-term debt	(492,216)	(338,697)
Lease liabilities	(59,172)	(56,577)
Derivative financial instruments	-	(4,787)
Other non-current financial liabilities	(117)	(121)
Net debt	**656,943**	**564,045**
Long-term financial assets:		
Other non-current financial receivables	241,479	233,918
Net financial position	**898,422**	**797,963**

The net debt calculation is in line with the guidelines issued by ESMA and adopted by Consob with Warning Notice No. 5/21 dated 29 April 2021.

Components of net financial positions

Set out below is the reconciliation of the net financial position components not directly inferable from the line items in the balance sheet scheme.

(thousands of euro)	Note	30.06.2024	31.12.2023
Other current financial receivables		**116,080**	**150,429**
Receivables from unconsolidated subsidiaries and associates	29	2,167	2,680
Loans to third parties and leasing	29	254	334
Accrued interest income	29	10,196	6,214
Current financial assets	29	103,463	141,201
Other current financial payables		**(16,533)**	**(17,072)**
Financial tax payables	42	(16,253)	(17,065)
Other financial payables	42	(280)	-
Deferred interest income	42	-	(7)
Other non-current financial receivables		**241,479**	**233,918**
Loans to third parties and leasing	26	4,491	4,404
Loans to associates and joint ventures	26	227,163	220,005
Loans to customers	26	9,825	9,509
Other non-current financial payables		**(117)**	**(121)**
Purchase of equity investments	39	(117)	(121)

49 EVENTS AFTER THE BALANCE SHEET DATE

On 19 July 2024, the Brazilian antitrust authority (CADE) issued a final and non-appealable positive opinion on the purchase of the remaining 50% of Nacional Cimentos Participações SA.
The execution of the sale agreement, which involves an outlay between €290 million and €310 million, is still subject to a series of suspensive conditions.

As far as the trading outlook is concerned, reference is made to the appropriate chapter in the review of operations.

Casale Monferrato, 2 August 2024

On behalf of the Board of Directors

Chairman
Veronica Buzzi

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis					
Buzzi SpA	Casale Monferrato (AL)	EUR	123,636,659		
Buzzi Unicem Srl	Casale Monferrato (AL)	EUR	120,000,000	Buzzi SpA	100.00
Unical SpA	Casale Monferrato (AL)	EUR	130,235,000	Buzzi SpA	100.00
Dyckerhoff GmbH	Wiesbaden DE	EUR	105,639,816	Buzzi SpA	100.00
Alamo Cement Company	San Antonio US	USD	200,000	Buzzi SpA	100.00
RC Lonestar Inc.	Wilmington US	USD	10	Buzzi SpA Dyckerhoff GmbH	51,50 48,50
Buzzi Unicem Algérie Sàrl i. L.	Ouled Fayet - Alger DZ	DZD	3,000,000	Buzzi SpA	70.00
Fanna Cementi Srl	Casale Monferrato (AL)	EUR	10,000	Buzzi Unicem Srl	100.00
Testi Cementi Srl	Casale Monferrato (AL)	EUR	1,000,000	Buzzi Unicem Srl	100.00
Falconeria Srl	Casale Monferrato (AL)	EUR	50,000	Buzzi Unicem Srl	100.00
Dyckerhoff Beton GmbH & Co. KG	Wiesbaden DE	EUR	18,000,000	Dyckerhoff GmbH	100.00
GfBB prüftechnik GmbH & Co. KG	Flörsheim DE	EUR	50,000	Dyckerhoff GmbH	100.00
Dyckerhoff Basal Nederland BV	Nieuwegein NL	EUR	18,002	Dyckerhoff GmbH	100.00
Cimalux SA	Esch-sur-Alzette LU	EUR	29,900,000	Dyckerhoff GmbH	98.43
Dyckerhoff Polska Sp zoo	Nowiny PL	PLN	70,000,000	Dyckerhoff GmbH	100.00
Cement Hranice as	Hranice CZ	CZK	510,219,300	Dyckerhoff GmbH	100.00
ZAPA beton as	Praha CZ	CZK	300,200,000	Dyckerhoff GmbH	100.00
OOO SLK Cement	Suchoi Log RU	RUB	30,625,900	Dyckerhoff GmbH	100.00
TOB Dyckerhoff Ukraina	Kyiv UA	UAH	230,943,447	Dyckerhoff GmbH	100.00
PRAT Dyckerhoff Cement Ukraine	Kyiv UA	UAH	7,917,372	Dyckerhoff GmbH TOB Dyckerhoff Ukraina	99,98 0,02
Dyckerhoff Gravières et Sablières Seltz SAS	Seltz FR	EUR	180,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Trebur GmbH & Co. KG	Trebur-Geinsheim DE	EUR	125,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Kieswerk Leubingen GmbH	Erfurt DE	EUR	101,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	Erfurt DE	EUR	100,000	Dyckerhoff Beton GmbH & Co. KG	95.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Companies consolidated on a line-by-line basis (continued)					
Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	Neuwied DE	EUR	795,356	Dyckerhoff Beton GmbH & Co. KG	70.97
TBG Lieferbeton GmbH & Co. KG Odenwald	Reichelsheim DE	EUR	306,900	Dyckerhoff Beton GmbH & Co. KG	66.67
Dyckerhoff Basal Toeslagstoffen BV	Nieuwegein NL	EUR	27,000	Dyckerhoff Basal Nederland BV	100.00
Dyckerhoff Basal Betonmortel BV	Nieuwegein NL	EUR	18,004	Dyckerhoff Basal Nederland BV	100.00
ZAPA beton SK sro	Bratislava SK	EUR	11,859,396	ZAPA beton as Cement Hranice as	99,97 0,03
OOO CemTrans	Suchoi Log RU	RUB	185,000,000	OOO SLK Cement	100.00
OOO "DYLOG"	Suchoi Log RU	RUB	259,100,000	OOO SLK Cement	100.00
TOB Dyckerhoff Transport Ukraina	Kyiv UA	UAH	51,721,476	TOB Dyckerhoff Ukraina	100.00
Alamo Concrete Products Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Alamo Transit Company	San Antonio US	USD	1	Alamo Cement Company	100.00
Buzzi Unicem USA Inc.	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Midwest Material Industries Inc.	Wilmington US	USD	1	RC Lonestar Inc.	100.00
Lone Star Industries Inc.	Wilmington US	USD	28	RC Lonestar Inc.	100.00
River Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
River Cement Sales Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Signal Mountain Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Company	Wilmington US	USD	100	RC Lonestar Inc.	100.00
Heartland Cement Sales Company	Wilmington US	USD	10	RC Lonestar Inc.	100.00
Hercules Cement Company LLC	Wilmington US	USD	n/a	RC Lonestar Inc.	100.00
Dyckerhoff Transportbeton Schmalkalden GmbH & Co. KG	Erfurt DE	EUR	512,000	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.55
MegaMix Basal BV	Nieuwegein NL	EUR	27,228	Dyckerhoff Basal Betonmortel BV	100.00
Friesland Beton Heerenveen BV	Heerenveen NL	EUR	34,487	Dyckerhoff Basal Betonmortel BV	100.00
Betonmortel Centrale Groningen (B.C.G.) BV	Groningen NL	EUR	42,474	Dyckerhoff Basal Betonmortel BV	66.03
ZAPA beton HUNGÁRIA kft	Zsujta HU	HUF	6,000,000	ZAPA beton SK sro	100.00
Buzzi Unicem Ready Mix, LLC	Nashville US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
RED-E-MIX Transportation, LLC	Springfield US	USD	n/a	Midwest Material Industries Inc.	100.00
Utah Portland Quarries Inc.	Salt Lake City US	USD	378,900	Lone Star Industries Inc.	100.00
Rosebud Real Properties Inc.	Wilmington US	USD	100	Lone Star Industries Inc.	100.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in joint ventures valued by the equity method					
Fresit BV	Amsterdam NL	EUR	6,795,000	Buzzi SpA	50.00
Presa International BV	Amsterdam NL	EUR	7,900,000	Buzzi SpA	50.00
Nacional Cimentos Participações SA	Recife BR	BRL	873,072,223	Buzzi SpA	50.00
Cementi Moccia SpA	Napoli	EUR	7,398,300	Buzzi Unicem Srl	50.00
E.L.M.A. Srl	Sinalunga (SI)	EUR	15,000	Unical SpA	50.00
Nacional Empreendimentos SA	Recife BR	BRL	77,821,677	Nacional Cimentos Participações SA	100.00
Companhia Nacional de Cimento - CNC	Recife BR	BRL	649,939,076	Nacional Cimentos Participações SA	100.00
Agroindustrial Delta de Minas SA	Recife BR	BRL	14,158,557	Nacional Cimentos Participações SA	100.00
Nacional Cimentos Paraíba SA	Recife BR	BRL	248,941,131	Nacional Cimentos Participações SA	100.00
CCS Cimento de Sergipe SA	Aracaju BR	BRL	3,281,245	Nacional Cimentos Participações SA	100.00
Mineração Delta do Paraná SA	Recife BR	BRL	5,554,139	Nacional Cimentos Participações SA	100.00
Agroindustrial Árvore Alta SA	Recife BR	BRL	673,000	Nacional Cimentos Participações SA	100.00
Lichtner-Dyckerhoff Beton GmbH & Co. KG	Berlin DE	EUR	200,000	Dyckerhoff Beton GmbH & Co. KG	50.00
ZAPA UNISTAV sro	Brno CZ	CZK	20,000,000	ZAPA beton as	50.00
EKO ZAPA beton sro	Praha CZ	CZK	1,008,000	ZAPA beton as	50.00
Corporación Moctezuma, SAB de CV	Mexico MX	MXN	171,376,652	Fresit BV Presa International BV	51,51 15,16
Cantagalo Empreendimentos SA	Recife BR	BRL	248,267	Nacional Empreendimentos SA	100.00
Delta de Arcos SA	Recife BR	BRL	2,136,668	Nacional Empreendimentos SA	100.00
Delta de Matozinhos SA	Recife BR	BRL	1,314,836	Nacional Empreendimentos SA	100.00
Mineração Bacupari SA	Recife BR	BRL	29,751,458	Nacional Empreendimentos SA	100.00
Mineração Delta de Sergipe SA	Aracaju BR	BRL	527,939	Nacional Empreendimentos SA	100.00
Delta da Paraíba SA	Recife BR	BRL	19,352,808	Nacional Empreendimentos SA	85.00
CCA Holding SA	Belo Horizonte BR	BRL	909,525,105	Companhia Nacional de Cimento - CNC	100.00
CCP Holding SA	Recife BR	BRL	288,216,389	Nacional Cimentos Paraíba SA	85.00
Ravenswaarden BV	Zutphen NL	EUR	18,000	Dyckerhoff Basal Toeslagstoffen BV	50.00
Eljo Holding BV	Groningen NL	EUR	45,378	Dyckerhoff Basal Betonmortel BV	50.00
Megamix-Randstad BV	Gouda NL	EUR	90,756	Dyckerhoff Basal Betonmortel BV	50.00
Cementos Moctezuma, SA de CV	Mexico MX	MXN	2,421,712,753	Corporación Moctezuma, SAB de CV	100.00
Companhia de Cimento Campeão Alvorada – CCA	Belo Horizonte BR	BRL	868,331,350	CCA Holding SA	100.00
Companhia de Cimento da Paraíba - CCP	Recife BR	BRL	315,676,175	CCP Holding SA	100.00
Mineração Nacional SA	Recife BR	BRL	16,369,893	CCP Holding SA	100.00
Maquinaria y Canteras del Centro, SA de CV	Mexico MX	MXN	19,597,565	Cementos Moctezuma, SA de CV	51.00

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Investments in associates valued by the equity method					
Hinfra Srl	Casale Monferrato (AL)	EUR	10,000	Buzzi SpA	60.00
Société des Ciments de Sour El Ghozlane EPE SpA	Sour El Ghozlane DZ	DZD	1,900,000,000	Buzzi SpA	35.00
Société des Ciments de Hadjar Soud EPE SpA	Azzaba DZ	DZD	1,550,000,000	Buzzi SpA	35.00
Laterlite SpA	Solignano (PR)	EUR	22,500,000	Buzzi SpA	33.33
Alpacem Cement dd	Anhovo SL	EUR	36,818,921	Buzzi SpA	25.00
Alpacem Cementi Italia SpA	San Vito al Tagliamento (PN)	EUR	2,000,000	Buzzi SpA	25.00
Calcestruzzi Faure Srl	Salbertrand (TO)	EUR	53,560	Unical SpA	24.00
Edilcave Srl	Villar Focchiardo (TO)	EUR	72,800	Unical SpA	20.00
Warsteiner Kalksteinmehl GmbH & Co. KG i. L.	Warstein DE	EUR	51,129	Dyckerhoff GmbH	50.00
Warsteiner Kalksteinmehl Verwaltungsgesellschaft mbH i. L.	Warstein DE	EUR	25,600	Dyckerhoff GmbH	50.00
CI4C GmbH & Co. KG	Heidenheim an der Brenz DE	EUR	40,000	Dyckerhoff GmbH	25.00
Projektgesellschaft Warstein-Kallenhardt Kalkstein mbH	Warstein DE	EUR	25,200	Dyckerhoff GmbH	25.00
Köster/Dyckerhoff Vermögensverwaltungs GmbH	Warstein DE	EUR	25,000	Dyckerhoff GmbH	24.90
Köster/Dyckerhoff Grundstücksverwaltungs GmbH & Co. KG	Warstein DE	EUR	10,000	Dyckerhoff GmbH	24.90
Nordenhamer Transportbeton GmbH & Co. KG	Nordenham DE	EUR	322,114	Dyckerhoff Beton GmbH & Co. KG	51.59
BLD Betonlogistik Deutschland GmbH	Rommerskirchen DE	EUR	25,200	Dyckerhoff Beton GmbH & Co. KG	50.00
Lichtner-Dyckerhoff Beton Verwaltungs GmbH	Berlin DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	50.00
TRAMIRA Transportbetonwerk Minden-Ravensberg GmbH & Co. KG	Minden-Dankersen DE	EUR	1,000,000	Dyckerhoff Beton GmbH & Co. KG	50.00
Transass SA	Schifflange LU	EUR	50,000	Cimalux SA	41.00
SA des Bétons Frais	Schifflange LU	EUR	2,500,000	Cimalux SA	41.00
Bétons Feidt SA	Luxembourg LU	EUR	2,500,000	Cimalux SA	30.00
Houston Cement Company LP	Houston US	USD	n/a	Alamo Cement Company	20.00
BLRP Betonlogistik Rheinland-Pfalz GmbH	Rommerskirchen DE	EUR	25,000	Dyckerhoff Beton Rheinland-Pfalz GmbH & Co. KG	50.00
BLN Beton Logistiek Nederland BV	Heteren NL	EUR	26,000	Dyckerhoff Basal Betonmortel BV	50.00
Van Zanten Holding BV	Leek NL	EUR	18,151	Dyckerhoff Basal Betonmortel BV	25.00
Louisville Cement Assets Transition Company	West Palm Beach US	USD	n/a	Lone Star Industries Inc.	25.00
Cooperatie Megamix BA	Almere NL	EUR	80,000	MegaMix Basal BV	37.50

LIST OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND OF EQUITY INVESTMENTS

(continued)

Name	Registered office		Share capital	Ownership interest held by	% of ownership
Other investments in subsidiaries at fair value					
GfBB prüftechnik Verwaltungs GmbH	Flörsheim DE	EUR	25,600	Dyckerhoff GmbH	100.00
Dyckerhoff Beton Verwaltungs GmbH	Wiesbaden DE	EUR	46,100	Dyckerhoff GmbH	100.00
Lieferbeton Odenwald Verwaltungs GmbH	Flörsheim DE	EUR	25,000	Dyckerhoff GmbH	100.00
Grey 2024 LLC	Kyiv UA	UAH	40,000	Dyckerhoff GmbH	100.00
Dyckerhoff Kieswerk Trebur Verwaltungs GmbH	Trebur-Geinsheim DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
SIBO-Gruppe Verwaltungsgesellschaft mbH	Lengerich DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	100.00
MKB Mörteldienst Köln-Bonn Verwaltungsgesellschaft mbH	Neuss DE	EUR	25,000	Dyckerhoff Beton GmbH & Co. KG	100.00
Dyckerhoff Beton Rheinland-Pfalz Verwaltungs GmbH	Neuwied DE	EUR	26,000	Dyckerhoff Beton GmbH & Co. KG	70.97
Nordenhamer Transportbeton GmbH	Nordenham DE	EUR	25,565	Dyckerhoff Beton GmbH & Co. KG	56.60
Dyckerhoff Transportbeton Thüringen Verwaltungs GmbH	Erfurt DE	EUR	25,565	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	100.00
Dyckerhoff Transportbeton Schmalkalden Verwaltungs GmbH	Erfurt DE	EUR	25,600	Dyckerhoff Transportbeton Thüringen GmbH & Co. KG	67.58
Compañia Cubana de Cemento Portland, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Transports Mariel, SA	Havana CU	CUP	100	Lone Star Industries Inc.	100.00
Proyectos Industries de Jaruco, SA	Havana CU	CUP	186,700	Compañia Cubana de Cemento Portland, SA	100.00

CERTIFICATION OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO ART. 81-TER OF CONSOB REGULATION NO. 11971 OF 14 MAY 1999 AS AMENDED

- The undersigned Pietro Buzzi, as Chief Executive Finance, and Elisa Bressan, as Manager responsible for preparing Buzzi's financial reports, hereby certify, pursuant to the provisions of article 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, that the administrative and accounting procedures for the preparation of consolidated financial statements during the first six months of 2024:

  – are adequate with respect to the company structure and

  – have been effectively applied.

- The undersigned also certify that:

a) the consolidated financial statements

   – have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union through Regulation (EC) 1606/2002 of the European Parliament and Counsel dated 19 July 2002;

   – correspond to the results documented in the books and the accounting records;

   – provide a true and correct representation of the financial conditions, results of operations and cash flows of the issuer and of the entities included in the scope of consolidation.

b) the interim management report contains a reliable analysis with reference to the important events which occurred during the first six months of the current financial year and their impact on the condensed financial statements, as well as a description of the major risks and uncertainties for the remaining six months of the financial period; the interim management report also includes a reliable analysis of the information about material related party transactions.

Casale Monferrato, 2 August 2024

Chief Executive Finance

Pietro BUZZI

Manager responsible for preparing financial reports

Elisa BRESSAN

BUZZI SPA

REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

REVIEW REPORT ON THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Buzzi SpA

Foreword

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Buzzi SpA and its subsidiaries (the "Buzzi Group") as of 30 June 2024, comprising the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity and related notes to the half-yearly consolidated financial statements. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution N. 10867 of 31 July 1997. A review of half-yearly condensed consolidated financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the half-yearly condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the half-yearly condensed consolidated financial statements of the Buzzi Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Turin, 5 August 2024

PricewaterhouseCoopers SpA

Signed by

Piero De Lorenzi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers.