Buzzi Unicem

PRESS RELEASE

Interim results at 30 June 2022
Revision of the corporate structure

- **Cement sales volumes down compared to the first half of 2021 (-4.0%); almost stable for ready-mix concrete (-0.2%)**
- **Positive development of deliveries in the United States, Central Europe, Poland and the Czech Republic; slowdown in Italy and Ukraine**
- **Net sales at €1,880 million (+17% compared to 2021) and Ebitda at €365 million (+3.6%). Favorable foreign exchange effect of €77 million on net sales and of €19 million on Ebitda**
- **Strong increase in selling prices, but even more marked cost inflation, power in particular; consequent decline of Ebitda margin**
- **For the whole of 2022, recurring Ebitda expected at a similar level, in absolute value, as in 2021**

Consolidated data		**Jan-Jun 22**	**Jan-Jun 21**	**% 22/21**
Cement and clinker sales	t/000	**14,233**	14,833	-4.0%
Ready-mix sales	m3/000	**5,831**	5,845	-0.2%
Net sales	€/m	**1,880**	1,609	+16.9%
Ebitda	€/m	**365**	352	+3.6%
Consolidated net profit	€/m	**89**	210	-57.7%
		Jun 22	**Dec 21**	**Change**
Net financial position	€/m	**114**	236	(121)

The Board of Directors of Buzzi Unicem SpA has met today to examine the interim financial report as at 30 June 2022.

During the first half of 2022, the economic situation weakened both in the main advanced countries and in the emerging ones. At the start to the year as well as during the second quarter, the continuing of the pandemic first, with the spread of the Omicron variant of the coronavirus, and then the consequences of the invasion of Ukraine by Russia weighed on economic growth. In this context, global trade slowed down sharply during the first quarter, reflecting the contraction in trade with emerging countries. In particular, the stringent restrictive measures adopted in some areas of China burdened its trade, while international sanctions weighed on imports of goods from Russia. Inflation, being already high in the first quarter, continued to grow at a sustained pace also during the spring, reaching in June its highest value in the last forty years in the United States (9.1%), driven by the acceleration of energy and food prices. These factors led to the downward revision of the outlook both on world GDP growth for the current year, now expected at 3.0% (previously 4.5%), and on the evolution of international trade.

In the United States, in the first six months as a whole, economic activity slowed down, mainly due to the negative contribution of exports and the change in inventories, despite internal consumption and investments showing a positive trend.
In the euro zone, the economic situation was clearly affected by the tensions connected with the conflict in Ukraine. In the first quarter, the economy grew marginally, mainly supported by the contribution of foreign demand, while domestic consumption and investment activity stagnated. In the second quarter, growth was still moderate: domestic demand was held back by the increases in energy raw materials, while activity in the industrial sector was also penalized by supply difficulties. In June, inflation reached again its maximum value since the launch of the monetary union (8.6%).
In Italy, after marginal GDP growth in the first quarter, during the spring months economic activity confirmed a moderately expansionary trend, thanks to the increase in consumption, investments and exports. However, the high uncertainty due to the developments of the invasion of Ukraine, the supply difficulties and the rise in energy and food prices, slowed down growth.

Among the emerging countries, in China both the measures to fight the new wave of infections imposed in some of the major production and logistics centers since March and the difficulties in the real estate industry caused a clear slowdown in economic activity.
In Russia, the severe international sanctions triggered a significant GDP contraction.
In Mexico, despite the limited trade with the countries involved in the Russian-Ukrainian conflict, the worsening of the growth prospects of the country's main trading partners caused a shrinking in private investments, while domestic consumption recovered.
In Brazil, the first half of the year was characterized by growing inflationary pressures which slowed down economic growth, eroding household purchasing power and fueling uncertainty, which was already high due to shortages of raw materials and the increase in production costs.

The decision of the European Union included in the sanctions package agreed at the beginning of June, which followed that of the United States and the United Kingdom to block imports of Russian crude oil and related products, caused a rise in oil prices, which was only partially offset by OPEC's resolution to raise the production targets for July and August and by fears about the weakening of global demand. Futures contracts, however, signal that oil prices will remain at high levels throughout 2022. The price of natural gas traded on the European market, after a decline in June, started to rise again following the news of the reduction in flows supply from Russia to some European countries, including Germany and Italy.

The Federal Reserve, in response to rising inflation, accelerated the monetary policy decisions by raising the benchmark rates in May and June. The ECB, on the other hand, continued its normalizing process, putting an end to the net buyback program of financial assets and launching a first hike of interest rates in July, with a second one expected in September. In emerging economies, the orientations of central banks were heterogeneous: in China and Russia accommodative policies prevailed to counter the slowdown in activity, while in Brazil and Mexico restrictive policies were pursued in order to limit inflation.

Net sales of the first six months strongly increased (+16.9% on 2021), standing at €1,880.0 million versus €1,608.7 million in 2021, while Ebitda improved by 3.6%, from €352.5 to €365.1 million. The price effect in local currency showed a favorable variance in all the countries where we operate. The foreign currency trend had a net favorable impact of €76.8 million on net sales and of €19.2 million on Ebitda. Net of exchange rate differences, turnover would have been up 12.1% while Ebitda down 1.9%.

Operating and financial performance

Consolidated cement sales in the first six months of 2022 stood at 14.2 million tons, down compared to the same period of 2021 (-4.0%). The overall favorable development recorded in the first three months of the year was followed by a slower second quarter, with the exception of the United States and Germany. The negative changes appeared in Italy and Eastern Europe, Ukraine and Russia in particular. Ready-mix concrete output, on the other hand, was substantially stable at the end of June, reaching 5.8 million cubic meters, down 0.2% compared to the previous year. In this business, the positive development in Benelux could not offset the unfavorable changes in Eastern Europe, Italy, the United States of America and Germany.

Consolidated Ebitda came in at €365.1 million, increasing (+3.6%) compared to €352.5 million in 2021. Changes in exchange rates had a favorable net impact thanks to the appreciation of the dollar, the hryvnia, the Czech koruna and the ruble. At constant exchange rates the recurring Ebitda in the first half of 2022 would have decreased by 1.9%.
The recurring Ebitda margin of the group generally worsened during the first six months of 2022, except for Russia and a substantial steadiness in the Czech Republic. Production and distribution costs showed a very unfavorable trend. With the outbreak of the conflict in Ukraine we witnessed (above all in Europe) a further, significant increase in variable items (electric power, fuels, logistics, raw materials) and the continuing inflation concerned also the fixed costs.

After amortization of €124.5 million (€121.3 million in 2021) and impairment losses of fixed assets (goodwill referred to Russia) of €122.4 million (€1.4 million in 2021), Ebit amounted to €118.1 million (€229.7 million in June 2021). Profit before tax stood at €119.8 million (€262.1 million in 2021), considering a contribution of €57.6 million from equity earnings (€48.4 million in 2021), no gains on the disposal of investments and net financial charges of €56.0 million (€16.0 million in 2021). After income taxes of €31.2 million (€52.4 million in 2021), the income statement closed with a net profit of €88.7 million, versus €209.7 million in the first half of 2021.

The positive net financial position as at 30 June 2022 amounted to €114.2 million, down €121.3 million compared to €235.5 million at 31 December 2021. In the six months under review the group allocated €123 million to the buyback of treasury shares, distributed dividends to the owners of the company for €74.1 million and incurred capital expenditures for a total of €128.5 million. Investments in property, plant and equipment referring to expansion or special projects totaled €4.9 million, attributable to the continuation of the works for the third clinker storage at San Antonio (TX) and for a new cement silo at Geseke. Investments aimed at improving environmental performance and decarbonizing production processes, including interventions to increase the production of cements with a lower clinker content, the greater use of alternative fuels and the in-house production of renewable energy, amounted to approximately €18 million, of which €6.5 million for the San Antonio (TX) photovoltaic power system.

Italy

Our sales of hydraulic binders and clinker contracted during the first six months (-12.4%), affected by the general decline in demand in May and June. Sales volumes in the ready-mix concrete sector also slipped, although less clearly (-5.6%). Selling prices further improved compared to the figures already recorded in the first three months, both for cement and ready-mix concrete. However, such increases could not fully hinder inflation of production costs.

Net sales in Italy stood at €357.9 million, up 17.1% from €305.6 million in 2021. Ebitda of the first six months reached €35.6 million, increasing compared to €32.7 million in 2021. It should be remembered, however, that the six months period benefited from the tax credit granted to energy-intensive companies, which was introduced by the so called "Sostegni-ter Decree", worth approximately €13 million. Unit production costs significantly rose, driven upwards by the increase in fuels and electricity, whose cost more than doubled.

United States of America

The positive development of our sales of hydraulic binders, which has been already recorded at the beginning of the year, continued also in the second quarter, closing the first six months with volumes up 2.6% compared to the levels of the previous year. Selling prices in local currency improved well. Ready-mix concrete output, mainly present in Texas, closed the first half down

(-6.7%) compared to the same period of 2021, still penalized by the shortage of drivers. In general, we are facing very complicated challenges as regards human resource management, such as high turnover, labor shortages and wage increases.
Thus, net revenues came in at €726.5 million, up 21.3% compared to €599.0 million in the first six months of 2021, favored by the appreciation of the dollar (9.3%). On the other hand, Ebitda was stable, decreasing from €181.6 to €180.6 million. This figure was affected by the operational difficulties faced in the ready-mix concrete sector and the significant increase in all cost items, both fixed and variable, in particular fuels, which more than doubled, electric power, in addition to purchased materials, transportation and maintenance services. Net of the exchange rate effect, net sales would have been up 10.0% while Ebitda down 9.8%.

Central Europe

In **Germany**, after the good progress recorded at the start to the year, sales volumes slowed down during the second quarter, in line with the trend of activity in the construction sector. In the first six months as a whole, our cement sales closed up (+7.3%) compared to 2021, with prices clearly strengthening. The ready-mix concrete sector showed an increasing production (+5.6%) compared to the same period of 2021, with prices also improving.
Overall net sales came in at €392.9 million (€341.7 million in 2021), up 15.0%, while Ebitda stood at €64.5 million (€60.6 million in 2021, +6.5%). Unit production costs grew, due to the increase in fuel charges, mitigated by the high use of alternative fuels, and in electric power, in addition to a slight worsening of fixed items.

In **Luxembourg** and the **Netherlands**, our cement deliveries, inclusive of exports, after a favorable beginning of the year, closed the first half still up (+2.6%), despite demand slightly slowing down in May and June. Prices showed a favorable development. Production volumes in the ready-mix concrete sector grew (+15.1%), with prices improving.
Net sales amounted to €116.4 million, higher than the previous year (€100.6 million). Ebitda worsened, from €6.9 million in 2021 to €4.8 million in the period under review. As a matter of fact, the increase in fuels and electric power, which reached nearly a doubled level compared to 2021, caused a clear worsening of production costs.

Eastern Europe

In the **Czech Republic**, cement sales, after the clear progress recorded at the start to the year, slowed down in the second quarter, in line with the trend of activity in the construction industry. In the period under review as a whole, sales volumes however closed progressing (+3.2%), with average prices, in local currency, visibly increasing. The ready-mix concrete division, which also includes **Slovakia**, achieved slightly higher production levels (+1.0%), associated with a favorable change in prices.

Net sales came in at €96.7 million, up (+20.2%) compared to €80.4 million in 2021, while Ebitda increased from €23.4 million in 2021 to €29.4 million in the period under review. At constant exchange rates, net sales and Ebitda would have increased by 15.1% and 19.6% respectively. The unit production costs in local currency worsened due to the strongly negative trend of fuels (nearly doubled compared to 2021), while electric power recorded a more moderate increase.

In **Poland**, cement volumes sold by our facility, after the significant increase recorded at the beginning of the year, closed the first semester in any case well up (+10.4%), despite the contraction in May and June, attributable both to a general decline in demand and to the comparison with the same period of 2021, when the trend in volumes was particularly brilliant. The average level of selling prices, on the other hand, continued to be sound for the entire semester. Ready-mix concrete output developed too (+6.3%), accompanied by prices in local currency improving.
These market dynamics led to net sales of €68.4 million, up 27.3% compared to €53.7 million in 2021, while Ebitda increased from €16.2 to €17.6 million (+8.8%). The depreciation of the zloty (-2.2%) led to a negative exchange rate effect: on a like-for-like basis, net sales would have increased by 30.1% and Ebitda would have been up 11.2%. The clear worsening of unit production costs in local currency is to be attributed mainly to the significant increase in the energy components, with fuels and electric power more than doubled compared to the previous year.

In **Ukraine**, at the end of February, when the fighting started, we were obliged to suspend production and commercial activities in both of our factories. At the end of March, with the repositioning of the conflict in the east and south-east of the country, the activity resumed at the Volyn plant, in the north-west, while the Nikolayev plant, in the south, continued to remain idle. During the whole semester, sales volumes substantially halved, compared with the same period of 2021. Selling prices, in local currency, showed a marked increase.
Overall net sales amounted to €28.3 million, down 44.5% from €51.0 million in 2021, while Ebitda was €3.5 million negative compared to €5.6 million positive in the first half of 2021. The appreciation of the local currency (5.2%) had a favorable impact on the translation of the results into euros: net of the exchange rate effect, net sales would have been down 47.4%, while Ebitda would have further decreased. The fall in volumes was accompanied by a strong worsening of production costs, both as regards variable and fixed items.

In **Russia**, due to the sanctions imposed on the country by the European institutions, we decided to withdraw from any operational involvement in the activities carried out by the subsidiary SLK Cement in the country. Consequently, decisions concerning the investment can only be taken through the shareholders’ meeting and are limited to the ones that, according to Russian business law, belong to this body. Further strategic initiatives in the country have been suspended.

During the first six months of 2022, net sales stood at €114.3 million, up 21.7% from €93.9 million in the same period of 2021, while Ebitda reached €36.0 million (up 43.0% compared to €25.2 million in 2021). The strengthening of the ruble (+4.6%) positively impacted the translation of the results into euros. Net of the exchange rate effect, net sales and Ebitda would have been up 16.1% and 36.4% respectively.

Mexico (valued by the equity method)
In a context characterized by weak capital spending, both public and private, the cement sales of our associate closed the first half declining (-11.8%). Selling prices in local currency, on the other hand, showed good progress. Ready-mix concrete output also reduced, with a positive price change in local currency.
With reference to 100% of the associate, net sales stood at €353.1 million, up 4.7% and Ebitda decreased from €150.9 to €149.5 million (-0.9%). The appreciation of the Mexican peso (+8.9%) influenced the translation of the results into euros. At constant exchange rates, net sales and Ebitda would have decreased by 4.6% and 9.7% respectively. The equity earnings referring to Mexico, which are included in the line item that encompasses the investments valued by the equity method, amount to €34.6 million (€33.6 million in 2021).

Brazil (valued by the equity method)
According to the update of the most recent estimates, construction activity is expected to weaken in the course of 2022, due to the increase in raw material and construction costs, the increase in interest rates and the slowdown in economic growth. In this context, the cement sales of our joint venture, also benefiting from the additional contribution of the former CRH cement plants acquired in April 2021, showed marked progress (+19.7%), with selling prices sharply increasing. On a like-for-like basis, however, sales volumes would have contracted, penalized by the downtick in demand.
Net sales, with reference to 100% of the associate, amounted to €179.6 million, up 68.7% compared to €106.4 million in 2021, while Ebitda reached €46.6 million versus €37.0 million in 2021. The appreciation of the Brazilian real (+14.4%) influenced the translation into euro of the results: like for like turnover would have increased by 13.4% and Ebitda would have been down 8.0% compared to 2021. The equity earnings referring to Brazil, which are included in the line item that encompasses the investments valued by the equity method, amount to €17.6 million (€9.2 million in 2021).

Outlook
Until the end of June 2022, the consolidated operating results, in absolute value, basically confirmed the level of the previous periods. The group, as a matter of fact, benefited from a generally sound demand, favored by the good level of activity in the construction sector,

although the negative consequences of the war in Ukraine caused a slowdown in Europe during the second quarter, which was particularly evident in Italy, Poland and the Czech Republic. The very penalizing trend of production costs, mainly those relating to the variable components, made it indispensable to transfer the burden on selling prices. Despite the realization of strong price hikes, we experienced continuing margin pressure, with Ebitda to sales margin decreasing from 22% to 19%.

The most recent estimates show that the slowdown in the economic cycle, already observed in spring, may also continue into the second half of 2022, due to the continuous increases in the prices of raw materials, energy and non-energy, and by the increased uncertainty on the development of private investments. These dynamics should also impact activity in the construction sector which, in the second half of the year, is expected to drop, mainly in the areas being most exposed to the procurement risk of energy supplies. In particular, the situation in Italy is of particular concern, where the cost of electricity reached inconceivable levels, with significant repercussions on energy-intensive companies as well as on construction investments.

Looking, therefore, at the second half of the year, we believe that our sales volumes may be penalized by the contraction in construction activity in Italy and Central Europe, due to the attenuation of the push in the residential sector, which bears the higher financing and construction costs, and to some delays in the implementation of infrastructure development plans. As regards the United States, on the other hand, we believe that construction activity, and consequently also the demand for cement, should continue to be robust also during the second half of the year, despite the forecasts on the dynamics of the residential sector indicate a likely weakening.

Compared to the assumptions that guided the outlook published a few months ago, a negotiated resolution of the conflict between Russia and Ukraine seems increasingly distant. Among the favorable elements, however, the unexpected revaluation of the ruble (back to 2015 levels) and the strength of the dollar should be noted.

In conclusion, based on the above considerations, we believe we can improve the indications previously given to the market and we expect that recurring Ebitda for the entire 2022 financial year will reach a level similar to the previous year.

Senior Notes and Bonds

In the period from 1 January to 30 June 2022 no new bonds were issued.

In the 18 months subsequent to 30 June 2022, on 28 April 2023 a principal repayment of €500 million referring to the Eurobond "Buzzi Unicem €500,000,000 2.125% Notes due 2023", issued by the parent company Buzzi Unicem SpA in 2016, shall be effected.

Revision of the corporate structure

The Board of Directors approved a project to revise the corporate structure, which envisages separating the cement operations in Italy from the strategic direction and coordination activities carried out by the parent towards the group entities in the various countries where Buzzi Unicem operates.

The project, within the consolidation scope, aims to make the corporate structure of Buzzi Unicem consistent with the evolution of the organizational structure and the international nature of the group.

The transaction is expected to be implemented through the contribution in kind of the business unit relating to the cement operations in Italy in favor of the company Buzzi Unicem Srl, whose share capital is held entirely and directly by Buzzi Unicem SpA. Following this contribution, the listed parent company will continue to deal with the definition and development of guidelines and strategic coordination for all subsidiaries.

The execution of the transaction is expected to take place by the end of 2022, the contribution being effective from 1 January 2023.

Finally, it should be noted that pursuant to Consob Regulation no. 17221/2010 (RPT Regulation) the transferee company is a related party of Buzzi Unicem as it is wholly owned by the same. The transaction will not, however, be subject to the information and authorization procedures relating to transactions with related parties by virtue of the exemption pursuant to art. 14, paragraph 2, of the RPT Regulation and to art. 6, section III of the Procedure for related-party transactions of the company, since it is a transaction with a wholly owned subsidiary. Consequently, Buzzi Unicem will not publish any information document pursuant to art 5 of the RPT Regulation.

Equally, pursuant to art. 71 of the Issuers' Regulation no publication of information documents is expected, due to the fact that the transaction is carried out with a wholly owned subsidiary and that, in any case, Buzzi Unicem has exercised the right to derogate from the obligation to publish information documents pursuant to the aforementioned art. 71.

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The manager responsible for preparing the company’s financial reports, Elisa Bressan, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, books and accounting records.

Casale Monferrato, 3 August 2022

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The Buzzi Unicem H1 2022 results will be illustrated during a **conference call** to be held today, Wednesday 3 August, at 4:30 pm CEST. To join the conference, please dial +39 02 802 09 11, from UK +44 1212 818 004, from USA +1 718 7058 796.

Consolidated Income Statement

(thousands of euro)	1st Half 2022	1st Half 2021
Net sales	**1,879,967**	**1,608,719**
Changes in inventories of finished goods and work in progress	(12,005)	(25,308)
Other operating income	22,166	21,052
Raw materials, supplies and consumables	(778,712)	(591,942)
Services	(437,577)	(377,998)
Staff costs	(272,871)	(253,700)
Other operating expenses	(35,914)	(28,357)
EBITDA	**365,054**	**352,466**
Depreciation, amortization and impairment charges	(246,905)	(122,752)
Operating profit (EBIT)	**118,149**	**229,714**
Equity in earnings of associates and joint ventures	57,588	48,433
Gains on disposal of investments	97	-
Finance revenues	78,164	29,072
Finance costs	(134,164)	(45,080)
Profit before tax	**119,834**	**262,139**
Income tax expense	(31,158)	(52,428)
Profit for the period	**88,676**	**209,711**
Attributable to:		
Owners of the company	88,645	209,623
Non-controlling interests	31	88

(euro)		
Earnings per share		
basic		
ordinary	0.472	1.091

Consolidated Statement of Comprehensive Income

(thousands of euro)	1st Half 2022	1st Half 2021
Profit for the period	**88,676**	**209,711**
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) on post-employment benefits	95,562	35,875
Fair value changes of equity investments	64	64
Income tax relating to items that will not be reclassified	(27,057)	(10,204)
Total items that will not be reclassified to profit or loss	**68,569**	**25,735**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	414,090	103,515
Share of currency translation differences of associates and joint ventures valued by the equity method	43,225	15,658
Total items that may be reclassified subsequently to profit or loss	**457,315**	**119,173**
Other comprehensive income for the period, net of tax	**525,884**	**144,908**
Total comprehensive income for the period	**614,560**	**354,619**
Attributable to:		
Owners of the company	614,515	354,528
Non-controlling interests	45	91

Consolidated Balance Sheet

(thousands of euro)	30/06/2022	31/12/2021
Assets		
Non-current assets		
Goodwill	510,374	608,789
Other intangible assets	70,283	59,419
Right-of-use assets	81,312	78,627
Property, plant and equipment	3,353,235	3,076,662
Investment property	17,669	17,697
Investments in associates and joint ventures	530,616	462,404
Equity investments at fair value	12,385	12,222
Deferred income tax assets	72,885	81,967
Defined benefit plan assets	4,673	6,905
Derivative financial instruments	4,247	6,948
Other non-current assets	287,839	270,305
	4,945,518	**4,681,945**
Current assets		
Inventories	589,215	500,010
Trade receivables	608,495	455,735
Other receivables	112,567	74,593
Cash and cash equivalents	1,058,343	1,203,611
	2,368,620	**2,233,949**
Assets held for sale	6,046	5,889
Total Assets	**7,320,184**	**6,921,783**

(thousands of euro)	30/06/2022	31/12/2021
Equity		
Equity attributable to owners of the company		
Share capital	123,637	123,637
Share premium	458,696	458,696
Other reserves	398,413	(59,094)
Retained earnings	3,930,016	3,853,886
Treasury shares	(130,917)	(7,699)
	4,779,845	**4,369,426**
Non-controlling interests	5,589	5,778
Total Equity	**4,785,434**	**4,375,204**
Liabilities		
Non-current liabilities		
Long-term debt	508,687	987,951
Lease liabilities	58,180	55,815
Employee benefits	274,218	364,845
Provisions for liabilities and charges	91,899	86,416
Deferred income tax liabilities	418,618	371,131
Other non-current liabilities	9,812	6,952
	1,361,414	**1,873,110**
Current liabilities		
Current portion of long-term debt	605,920	136,635
Short-term debt	9,615	12,476
Current portion of lease liabilities	23,614	22,450
Trade payables	342,188	294,043
Income tax payables	35,721	32,072
Provisions for liabilities and charges	17,721	64,626
Other payables	138,557	111,167
	1,173,336	**673,469**
Total Liabilities	**2,534,750**	**2,546,579**
Total Equity and Liabilities	**7,320,184**	**6,921,783**

Consolidated Statement of Cash Flows

(thousands of euro)	1st Half 2022	1st Half 2021
Cash flows from operating activities		
Cash generated from operations	168,013	313,147
Interest paid	(15,656)	(16,646)
Income tax paid	(46,968)	(77,362)
Net cash generated from operating activities	**105,389**	**219,139**
Cash flows from investing activities		
Purchase of intangible assets	(544)	(891)
Purchase of property, plant and equipment	(125,725)	(98,965)
Acquisition of subsidiaries, net of cash acquired	-	(639)
Purchase of other equity investments	(2,275)	(1,392)
Proceeds from sale of property, plant and equipment	5,539	14,799
Proceeds from sale of equity investments	465	-
Changes in financial receivables	1,459	(228,964)
Dividends received from equity investments	27,943	31,315
Interest received	6,637	3,482
Net cash generated from (used in) investing activities	**(86,501)**	**(281,255)**
Cash flows from financing activities		
Repayment of long-term debt	(30,107)	(52,912)
Net change in short-term debt	960	(3,803)
Repayment of lease liabilities	(11,434)	(11,845)
Changes in other financial payables	(3,955)	3,467
Changes in ownership interests without loss of control	(3)	(1)
Purchase of treasury shares	(123,218)	-
Dividends paid to owners of the company	(71,693)	(190,549)
Dividends paid to non-controlling interests	(234)	(105)
Net cash generated from (used in) financing activities	**(239,684)**	**(255,748)**
Increase (decrease) in cash and cash equivalents	**(220,796)**	**(317,864)**
Cash and cash equivalents at beginning of period	1,203,611	1,218,279
Currency translation differences	75,528	22,919
Cash and cash equivalents at end of period	**1,058,343**	**923,334**

The interim report for the six months ended 30 June 2022 has been endorsed by the Board of Directors and is being revised by the independent auditors.

Alternative performance measures

Buzzi Unicem 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.

In the first half of 2022, in line with last year, no non-recurring expenses and/or income were recognized.

- **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.