

Annual General Meeting

Casale Monferrato, 10 May 2018

Corporate Group Structure

BUZZI UNICEM SpA

CEMENT

Buzzi Unicem
100%

Cementizillo
100%

Cementi Moccia
50%

READY-MIX CONCRETE and AGGREGATES

Unical
100%

Other affiliates
30-50%

AFFILIATES ABROAD

Alamo Cement
USA 100%

Buzzi Unicem USA
USA 100%

Dyckerhoff
GER 100%

Corp. Moctezuma ¹
MEX 50%

RELATED ACTIVITIES

Laterlite
33%

Premix
40%

As at May 2018

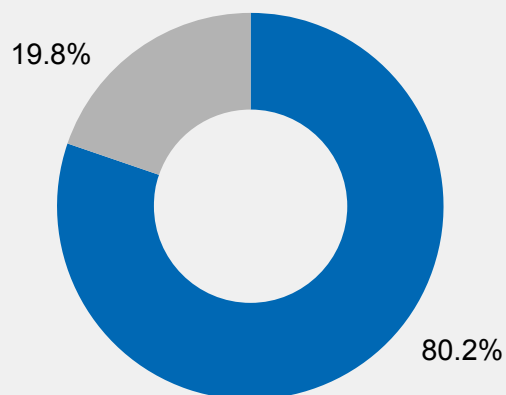
(1) % ownership of controlling interest; 33% economic stake

△ Listed company

Shares & Shareholders

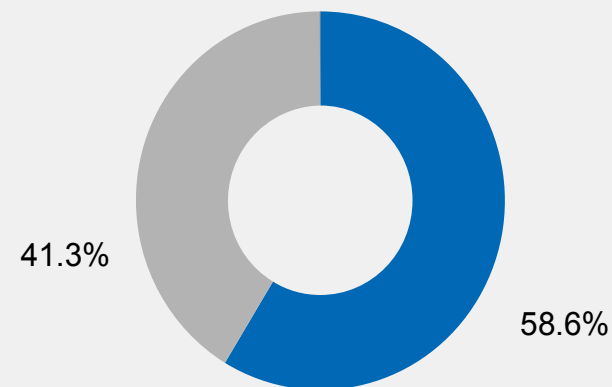
Share Capital

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



Common Shares

• Buzzi family	96,950,000
• Free Float	68,349,149
• Treasury shares	50,000



As at May 2018

Executive summary

▪ Volumes

- Thanks to the full consolidation of the Zillo Group from the second half of the year and the continued positive development in Central Europe, overall cement sales were up 4.4% (+2.1% like-for-like) and ready-mix concrete volume increased by 3.0% (+1.1% like-for-like) compared to 2016
- Italy: the reduction of domestic demand that has been lasting for 10 consecutive years has finally stopped; thanks to the consolidation of the Zillo Group, the growth of export volumes and clinker sales, our shipments increased by 19.5% (+4.5% like-for-like); the ready-mix concrete sector was up 11.3%, also favored by the change in scope

Executive summary (2)

■ Volumes

- United States: the lack of shipments in Houston for some weeks due to the passage of Hurricane Harvey and the bad weather in the last months of the year have compromised the recovery achieved in the third quarter, resulting, for the full financial year, in cement sales volumes identical to the previous year, despite a significant recovery in oil-well cement deliveries; weakness in the ready-mix concrete sector (-3.5%)
- Central Europe: the constant development of demand, also favored by a strong request for oil-well cement, has allowed solid growth (cement +4.5%)
- Eastern Europe: good expansion in the Czech Republic and favorable changes in Russia and Poland more than offset a marginal decline in Ukraine (cement +1.5%)

Executive summary (3)

▪ Prices

- In local currency, favorable change in the United States, Poland and Ukraine, slightly positive in Luxembourg, Germany and Russia; stable or marginal weakness in the Czech Republic and Italy

▪ Foreign Exchange

- Negative translation effect on Net sales (€m 3) and Ebitda (€m 2), due to the weakness of the dollar and hryvnia, partially offset by the strengthening of the ruble, zloty and Czech crown

▪ Costs

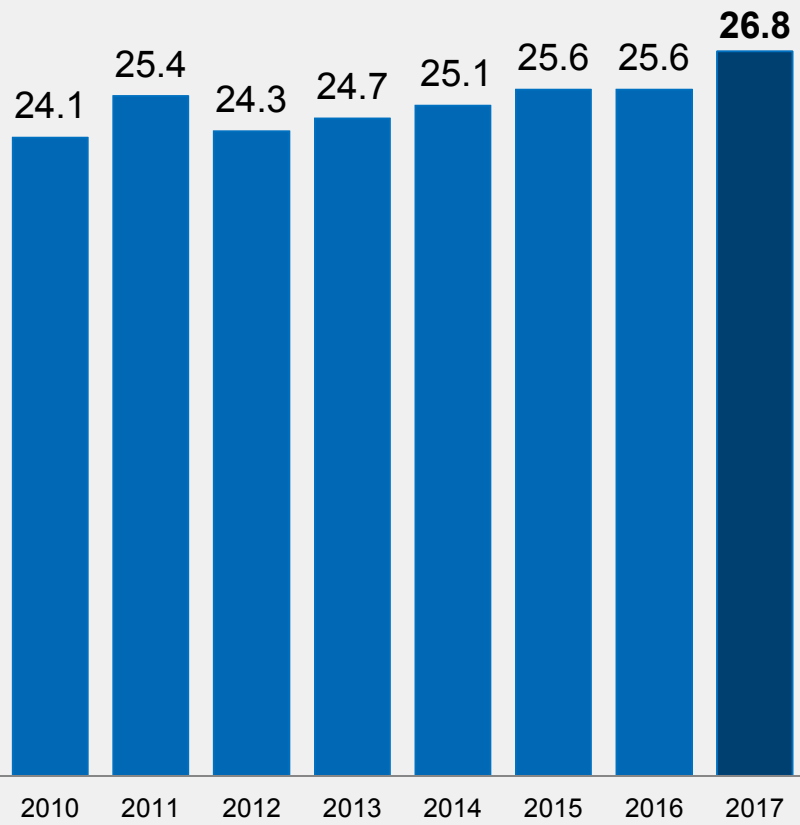
- Unfavorable trend of energy factors, fuels in particular

▪ Results

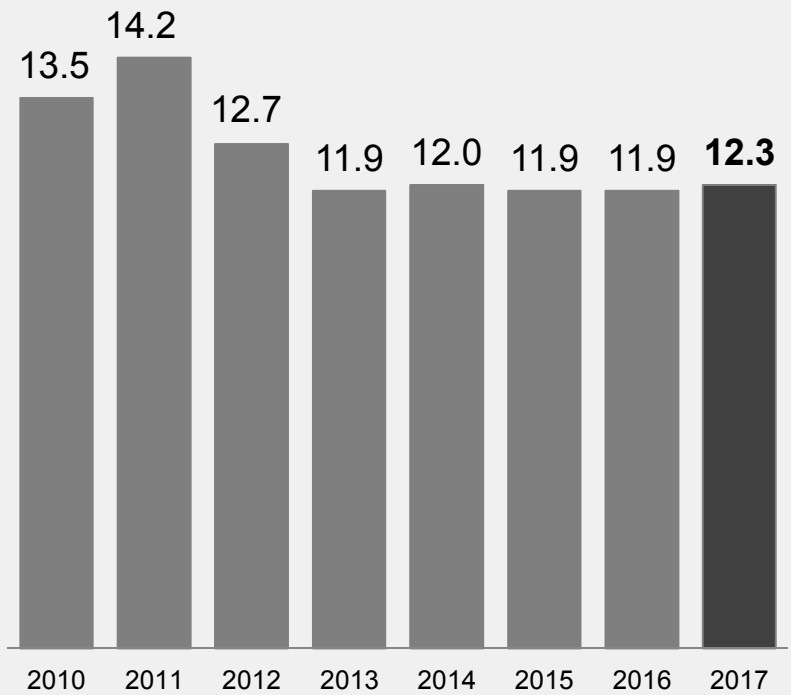
- Net sales up (+3.7% at constant exchange rate and scope) and substantial stability in Ebitda margin (from 20.6% to 20.5%)
- Net debt at €m 863, after €m 218 capital expenditures, therefore further strengthening the financial condition

Volumes

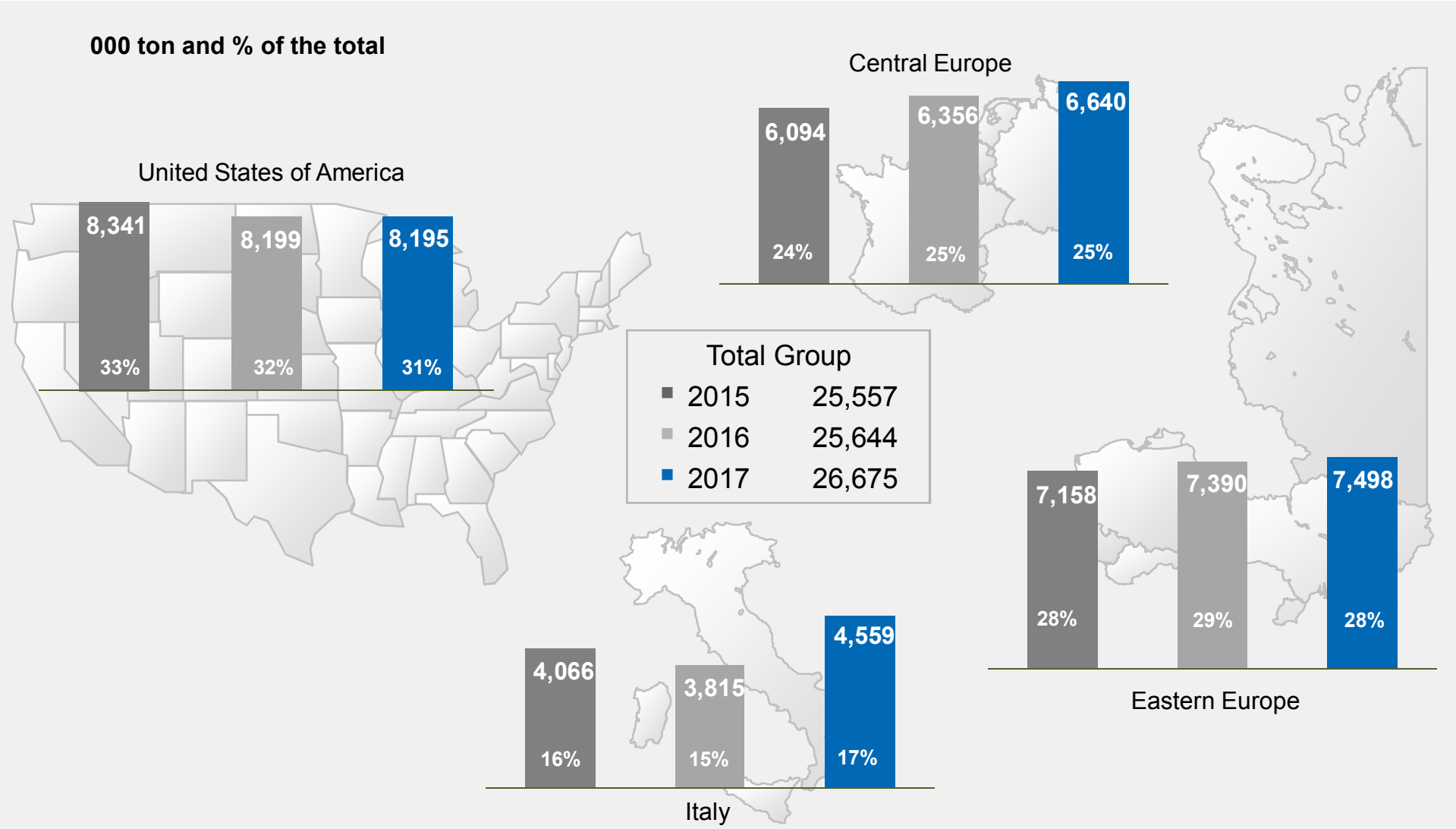
Cement (m ton)












Ready-mix concrete (m m3)



Cement volumes by geographical area

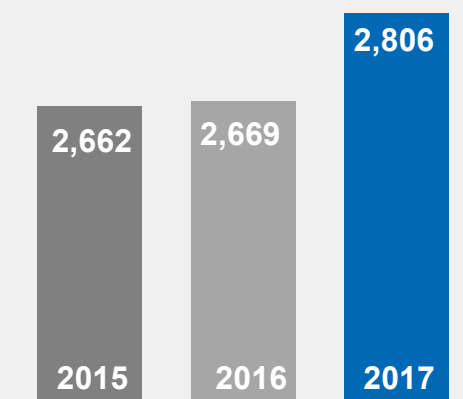


Net sales by country

	2017	2016	Δ	Δ	Forex	Scope	Δ I-f-I
EURm			abs	%	abs	abs	%
 Italy	427.8	375.2	52.6	+14.0	-	42.4	+2.7
 United States	1,119.7	1,117.8	2.0	+0.2	(23.1)	-	+2.2
 Germany	588.8	572.4	15.6	+2.7	-	-	+2.7
 Lux/Netherlands	186.8	175.6	11.2	+6.4	-	-	+6.4
 Czech Rep/Slovakia	147.9	136.2	11.7	+8.6	3.0	-	+6.4
 Poland	97.0	95.0	2.0	+2.1	2.4	-	-0.4
 Ukraine	94.5	79.8	14.7	+18.5	(5.8)	-	+25.7
 Russia	184.3	154.4	30.0	+19.4	20.4	-	+6.2
<i>Eliminations</i>	(39.9)	(37.0)	(2.9)				
Total	2,806.2	2,669.3	136.9	+5.1	(3.1)	42.4	+3.7
 Mexico (100%)	686.1	609.0	77.1	+12.7	(22.0)	-	+16.3

Key economics indicators

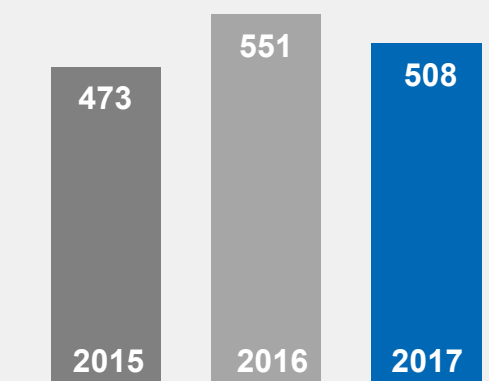
EURm Net sales



	15/14	16/15	17/16
	%	%	%

Δ YoY	+6.2	+0.3	+5.1
Δ operations	+1.0	+1.7	+3.7
Δ foreign exchange	+4.0	-1.0	-0.2
Δ scope	+1.1	-0.4	+1.6

EURm EBITDA

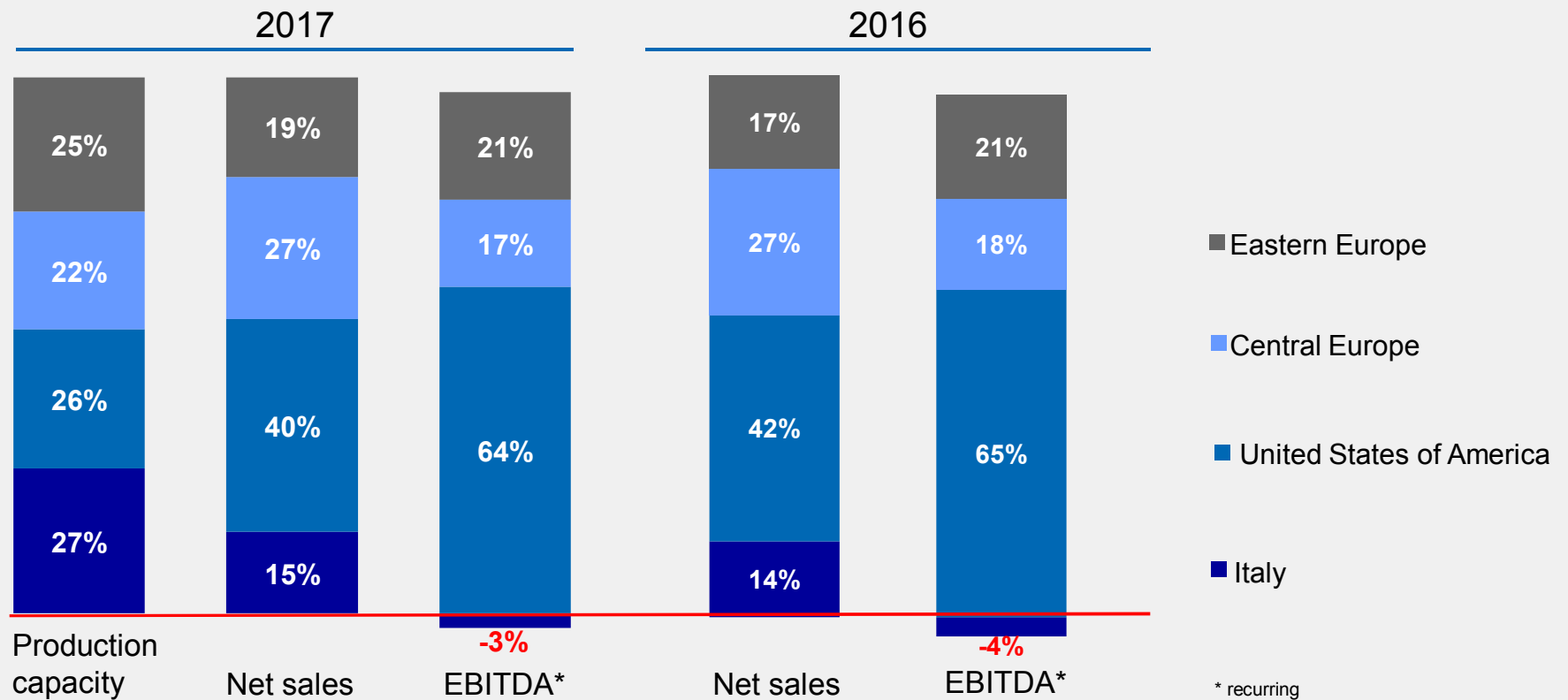


	15/14	16/15	17/16
	%	%	%

Δ YoY	+11.9	+16.4	-7.7
Δ operations	+3.0	+17.6	-8.2
Δ foreign exchange	+8.2	-1.2	-0.3
Δ scope	+0.9	0.0	+0.8

Net sales and EBITDA development

- Italy improving, thanks to Zillo scope change, but still negative
- USA contribution just under 2/3 of consolidated EBITDA
- Stable at 21% the profitability from Eastern Europe



Consolidated Income Statement

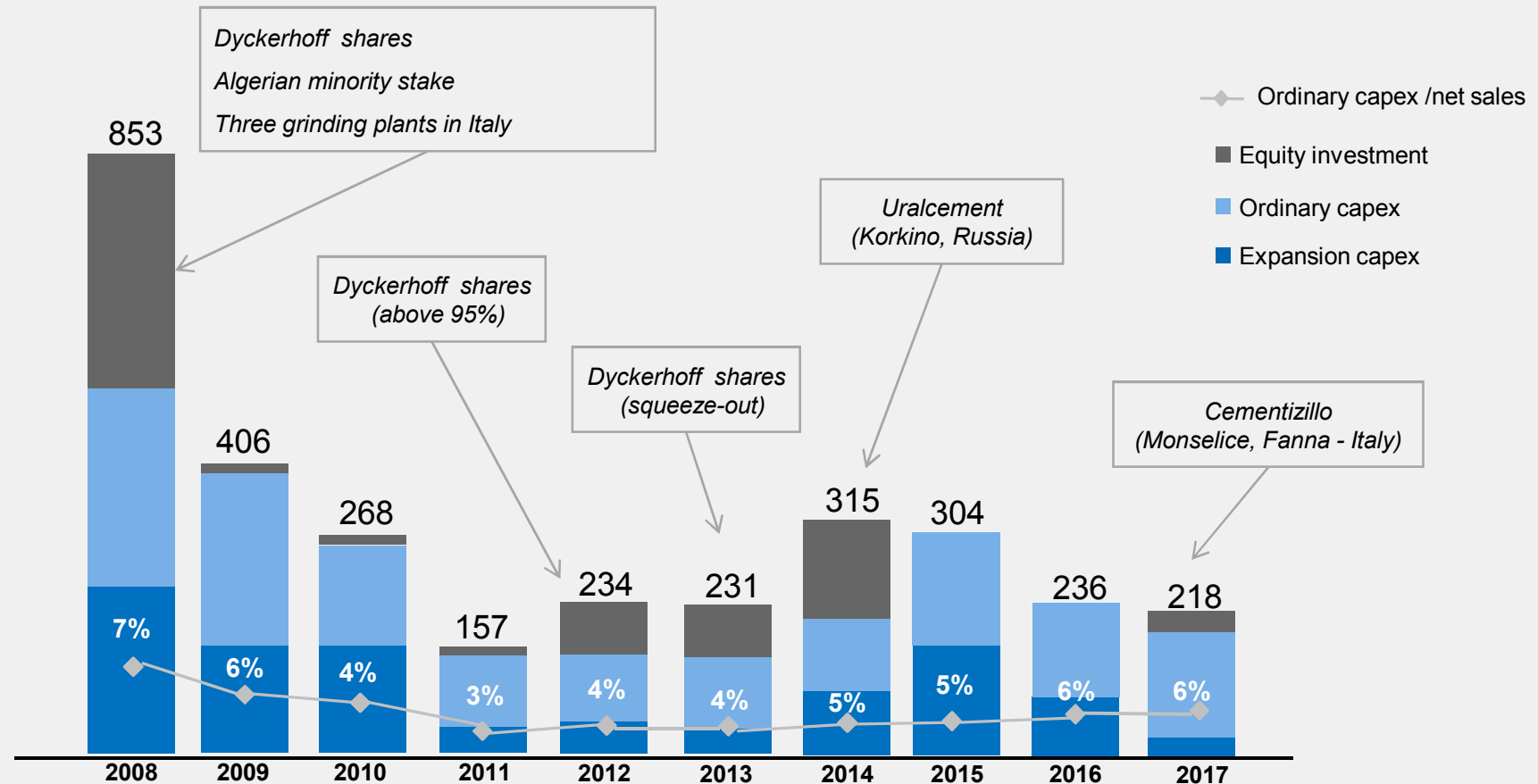
EURm	2017	2016	Δ abs	Δ %
Net Sales	2,806.2	2,669.3	136.9	+5.1
EBITDA	508.2	550.6	(42.4)	-7.7
of which, non recurring	68.2	0.1		
% of sales (recurring)	20.5%	20.6%		
Depreciation and amortization	(222.1)	(202.6)	(19.5)	
Operating profit (EBIT)	286.0	348.0	(62.0)	-17.8
% of sales	10.2%	13.0%		
Equity earnings	97.7	80.1	17.6	
Net finance costs	(35.0)	(147.2)	112.1	
Profit before tax	348.7	280.9	67.8	+24.1
Income tax expense	45.9	(132.2)	178.1	
Net profit	394.6	148.7	245.9	+165.4
Minorities	(3.0)	(2.8)		
Consolidated net profit	391.6	145.9	245.8	+168.5
Earnings per ordinary share (€)	190.0	70.0		

Consolidated Cash Flow Statement

EURm	2017	2016
Cash generated from operations	506.6	467.5
% of sales	18.1%	17.5%
Interest paid	(43.9)	(61.5)
Income tax paid	(91.9)	(101.8)
Net cash by operating activities	370.8	304.1
% of sales	13.2%	11.4%
Capital expenditures	(183.7)	(236.0)
Equity investments	(33.9)	(0.4)
Dividends paid	(22.0)	(16.3)
Dividends from associates	85.3	67.0
Disposal of fixed assets and investments	12.5	21.5
Translation differences and derivatives	(40.2)	(59.9)
Accrued interest payable	(1.4)	(3.8)
Interest received	9.7	14.6
Contingent liabilities	(61.5)	-
Change in consolidation area and other	(56.4)	(2.7)
Change in net debt	79.1	88.2
Net financial position (end of period)	(862.5)	(941.6)

Focus on industrial capex

- In the period 2008-2017 equal to €m 3,222, of which €m 1,128 for expansion projects^(*)
- Increasing importance of projects for sustainability and regulatory compliance



* Includes 50% of Corporación Moctezuma up to 2013

Expansion projects: Zillo acquisition 1/2

RATIONALE

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



- Leading industrial group, founded in 1882 and focused on the cement and ready-mix concrete industry in the North-East of Italy
- 2 full-cycle cement plants (market share estimated at 5%) and about 40 batching plants
- About 1.2 m ton cement sales in 2017










Expansion projects: Zillo acquisition 2/2



Monselice (PD)

Fanna (PN)

Expected trading in 2018

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

Note: Prices in local currency

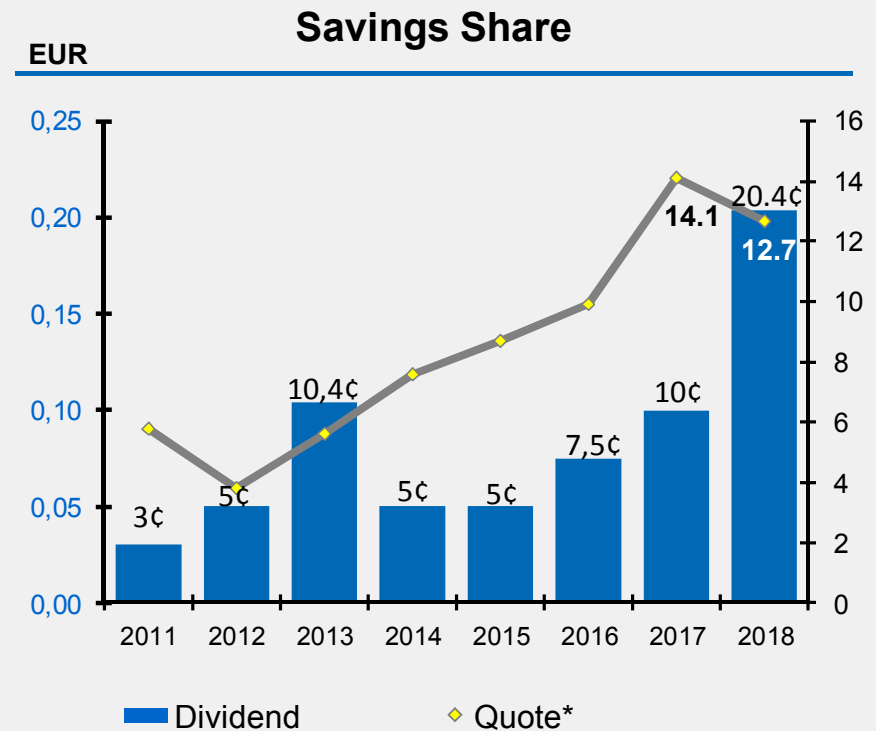
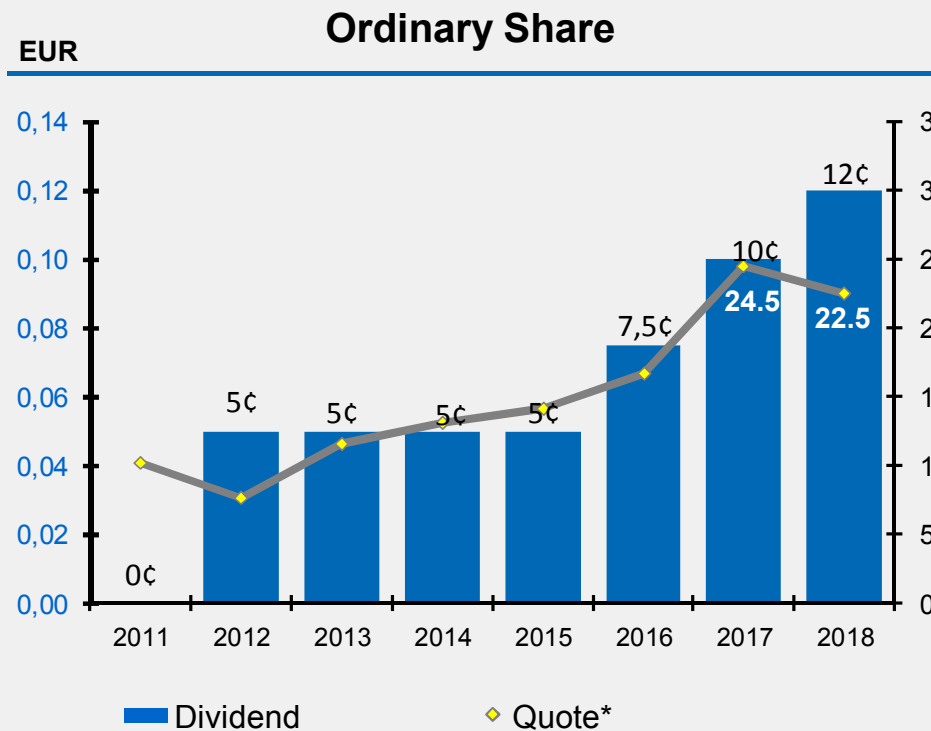
Buzzi Unicem SpA – Income Statement

EURm	2017	2016	Δ	Δ
			abs	%
Net Sales	244.0	234.0	10.0	+4.3
EBITDA	(63.6)	(5.3)		
<i>% of sales</i>	(26.1)	(2.3)		
Operating profit (EBIT)	(90.5)	(34.4)	56.1	
<i>% of sales</i>	(37.1)	(14.7)		
Net finance costs/revenues	144.8	(2.0)	146.8	
of which, dividend income	197.2	122.7	74.5	+60.7
Profit (loss) before tax	54.3	(36.4)	90.7	
Income taxes	(3.5)	(10.0)	6.5	
Net profit (loss)	50.8	(46.4)	97.2	
Cash flow ¹⁾	77.7	(17.3)	95.0	
<i>% of sales</i>	31.8	(7.4)		
Shareholders' equity	1.528.6	1.488.7	39.9	+2.7

1) Net profit + depreciation and amortization

Share quote and dividend

- Dividend of 12.0 ¢ to ordinary shares and 20.4 ¢ to savings shares (of which 6.0 ¢ preferential)
- CAGR (12/2011 - 5/2018): ordinary shares +19% / savings shares +21%



*Share quote recorded on the days previous to the AGM CAGR: compound annual growth rate

Sustainability Report



Issued for the 17th year in a row, the 2017 Sustainability Report is in accordance with the Core Indicators (G4) of the Global Reporting Initiative and includes the requirements of DL 254/2016 (non-financial statement)

- Economic Performance: creation of value in the long term is the strategic day-to-day goal of Buzzi Unicem's operations
- Environmental Performance: strong, determined and permanent the Buzzi Unicem's effort to reduce environmental impacts
- Social Performance: humans, local communities and social impact are a key focus of Buzzi Unicem



Sustainability Report 2017



In this edition we wanted to highlight some issues especially important for us and our stakeholder:

- Climate Change
- Stakeholder Engagement
- Safety

For each of them we have established clear guidelines (policies) and goals to be reached in the medium term



Climate Change

- Buzzi Unicem recognizes the importance of the efforts made by the international community to limit climate change
- Respecting the prevailing opinion of the scientific community that attributes part of the global warming to the greenhouse gas emissions and in particular of carbon dioxide (CO₂), Buzzi Unicem monitors its emissions and indicates, in the Sustainability Report, the corresponding accountability in absolute and specific terms
- In line with the objectives set over the years by the international climate protocols, Buzzi Unicem is committed in reducing its CO₂ emissions. After the Paris agreement in December 2015, the commitment is extended to all countries where the group operates

Target 2022

Although the relevant factors are many, not all foreseeable and under the control of Buzzi Unicem, by 2022 we believe to be able to achieve a 5% reduction in CO₂ emissions compared to 2017 levels, at the same production rate

Stakeholder Engagement

- Buzzi Unicem recognizes the importance of creating and maintaining relationships of trust based on mutual respect, **active partnership**, transparency and long-term collaboration with its stakeholders, particularly those rooted on the territories where the group operates
- Creating relationships of trust with the stakeholders means **knowing them**, understanding their needs and promoting their involvement during important events in the life of a plant, the headquarters and at the time of strategic initiatives of their potential interest
- For this purpose, Buzzi Unicem promotes regular communication initiatives, in particular with employees, suppliers, customers, local communities and authorities, whose contents and level of involvement are defined, planned and implemented according to procedures in compliance with this policy

Target 2022

Implementation of a strategic approach to stakeholder engagement and realization of recurring events (es. Family & Friends)

Safety

Buzzi Unicem operates to achieve the highest level of safety for its workers and its suppliers. **The highest level of safety is the one for which we expect absence of accidents and occupational diseases**

To obtain the above, it's essential to:

- comply with all the requirements of the legislation in force in the countries where the group operates;
- make technical and organizational choices in line with best practices;
- ensure that the above choices are not influenced by reasons of economic convenience and/or costs saving.

Be aware that safety can only be achieved by ensuring, continuously, a proper assessment of risks, behaviors, prevention measures and a control system that involves all workers.

Be aware that the responsibility of management, in this regard, is fundamental and must be evident.

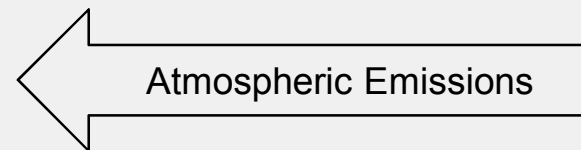
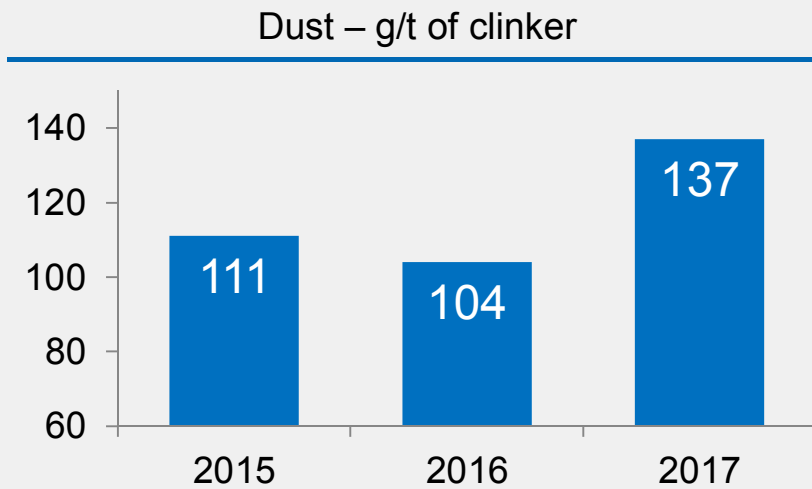
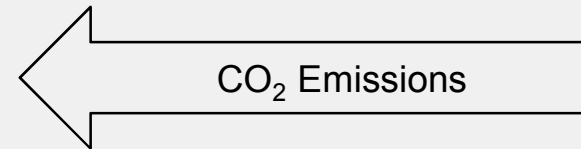
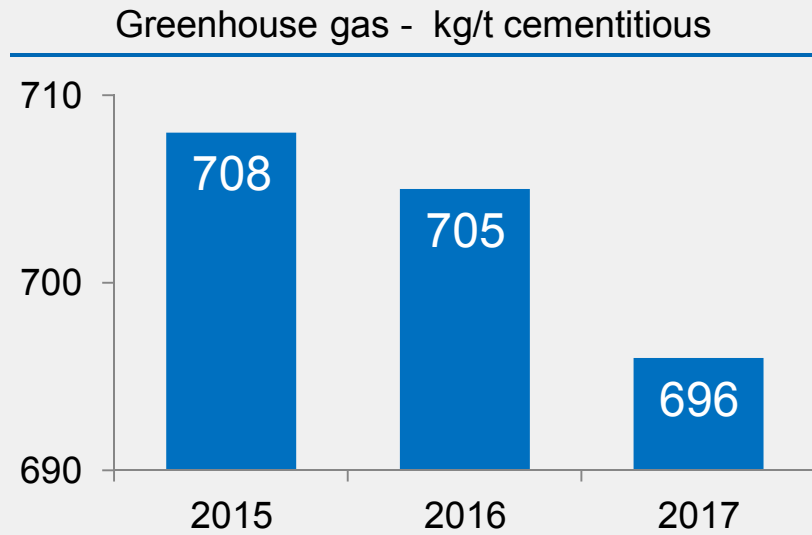
Be engaged to monitor and report its own performance through internationally recognized indices (KPIs), useful for internal evaluations and comparisons, country by country, with other companies, in the same industry and not.

Recognize the third party certifications on safety issues as a valid aid for the implementation of this policy and make commitments to achieve them.

Target

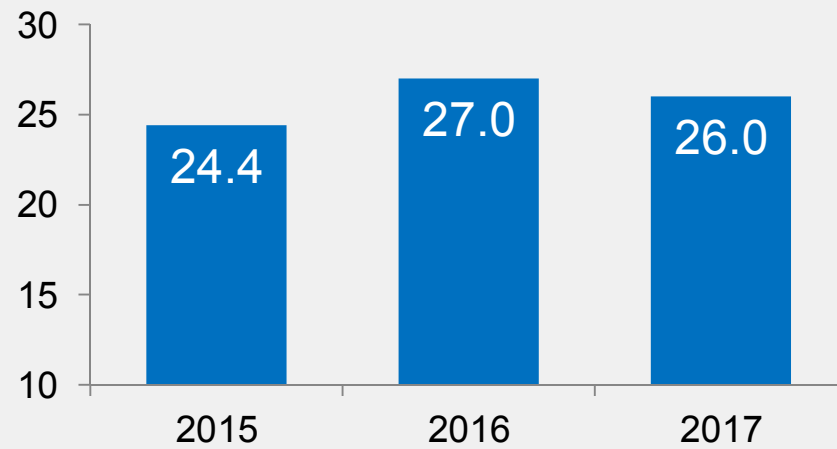
The target is the achievement of working conditions not entailing the occurrence of any accident and/or occupational diseases

Sustainability Report 2017 – key indicators (1)

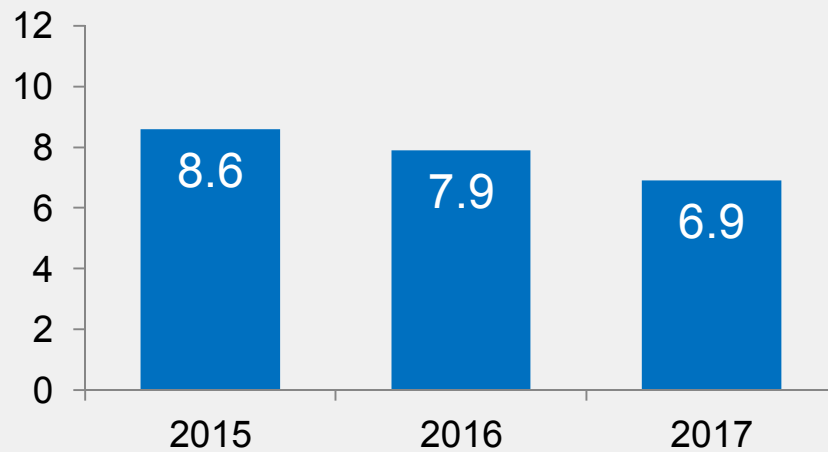


Sustainability Report 2017 – key indicators (2)

Heat substitution - in %

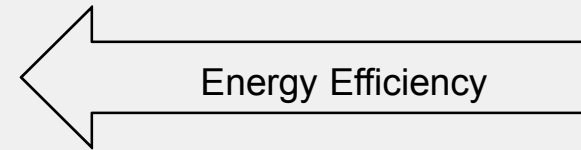
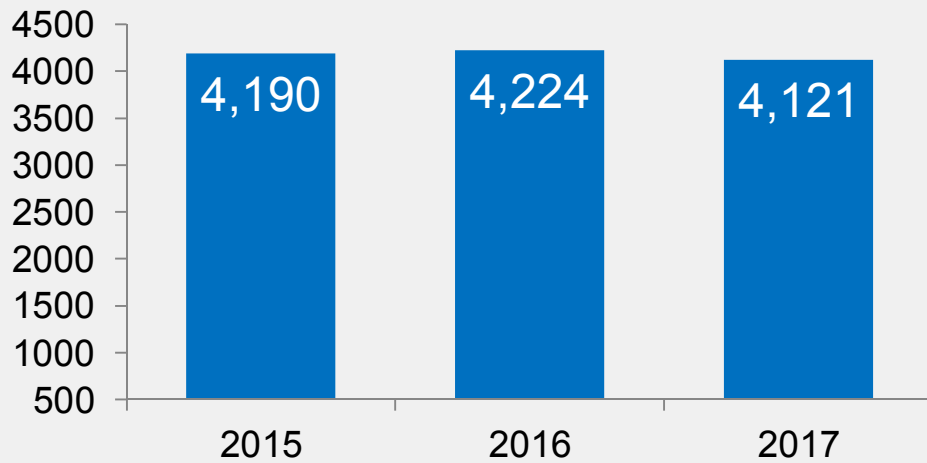


Injury frequency rate – N° x1M / hours worked



Sustainability Report 2017 – key indicators (3)

Kiln specific consumption - Gj/t clinker



Waste generation - g/t cementitious

