Annual General Meeting

Casale Monferrato, 9 May 2019

Buzzi Unicem

Corporate Structure

BUZZI UNICEM SpA

CEMENT
- **Buzzi Unicem** 100%
- **Cementi Moccia** 50%

READY-MIX CONCRETE and AGGREGATES
- **Unical** 100%
- **Other investments** 30-50%

AFFILIATES ABROAD
- **Alamo Cement** USA 100%
- **Buzzi Unicem USA** USA 100%
- **Dyckerhoff** GER 100%
- **Corp. Moctezuma** [1] MEX 50% ◿
- **BCPAR SA** BRASILE 50%

RELATED ACTIVITIES
- **Laterlite** 33%
- **Premix** 40%

As at May 2019

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

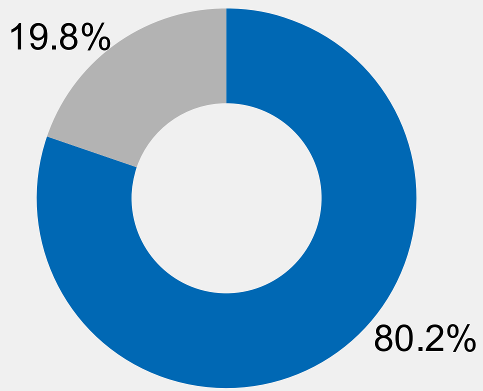
◿ *Listed company*

Buzzi Unicem

Shares & Shareholders

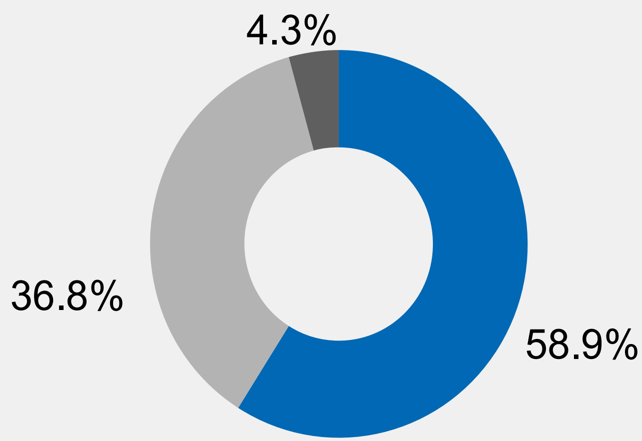
Share Capital

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



Common Shares

Buzzi family	97,450,000
Free Float	60,849,149
Treasury shares	7,050,000



As at December 2018

Buzzi Unicem

Executive summary

- **Volumes**

  – During the year a 4.3% increase in cement sales was achieved (+ 1.0% on a like-for-like basis), mainly due to the additional contribution of the former Cementizillo plants in Italy and Seibel & Söhne in Germany and thanks to the progress achieved in the Czech Republic, Poland and Russia, which overall mostly offset a reduction of shipments in the United States of America and a evident decline in the level of activity in Ukraine. The ready-mix concrete sector closed with a lower production level than the previous year (-1.6%)

  – Italy: while we estimate that domestic cement consumption has practically remained at the level reached in the previous year, our sales grew by 13.3% (+ 0.5% on a like-for-like basis), thanks to the additional contribution of shipments related to the former Cementizillo plants (full consolidation from the second half of 2017), to the volume growth of overseas exports and clinker

Executive summary (2)

- **Volumes (continue)**

  – The ready-mix concrete sector, which was involved in a process of restructuring and rationalization of production that led, among other things, to a reduction in the number of batching plants directly managed by the group, closed with a production level that is visibly lower than the previous year (-15.6%)

  – United States: sales were affected by the particularly adverse weather: intense cold in the first quarter and unprecedented rainfall levels in the third quarter, September in particular; the year ended with lower cement sales volumes (-1.1%) and a marginal recovery in the ready-mix concrete sector (+ 0.3%)

Executive summary (3)

- **Volumes (continue)**
  - Central Europe: our deliveries, after a start of the year conditioned by the unfavorable weather, thanks to the good demand for “oil well” products and to the additional volumes consequent to the Seibel & Söhne acquisition (full consolidation since May), closed on the rise (cement + 5.4%)
  - Eastern Europe: the improvements achieved in the Czech Republic, Poland and Russia mostly offset the decrease in Ukraine (cement +2.2%)

- **Prices**
  - Favorable changes, in local currency, in all countries

- **Foreign Exchange**
  - Negative translation effect on Net sales (€m 74) and Ebitda (€m 21), due to the weakness of the dollar, ruble and hryvnia

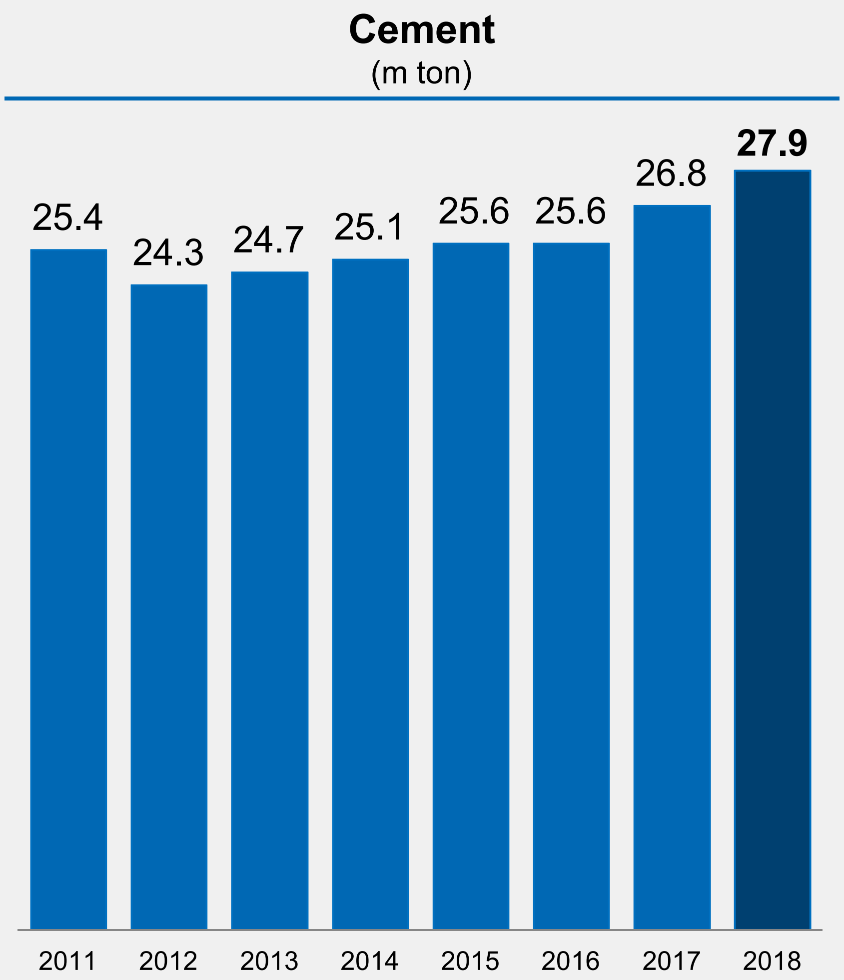
Executive summary (4)

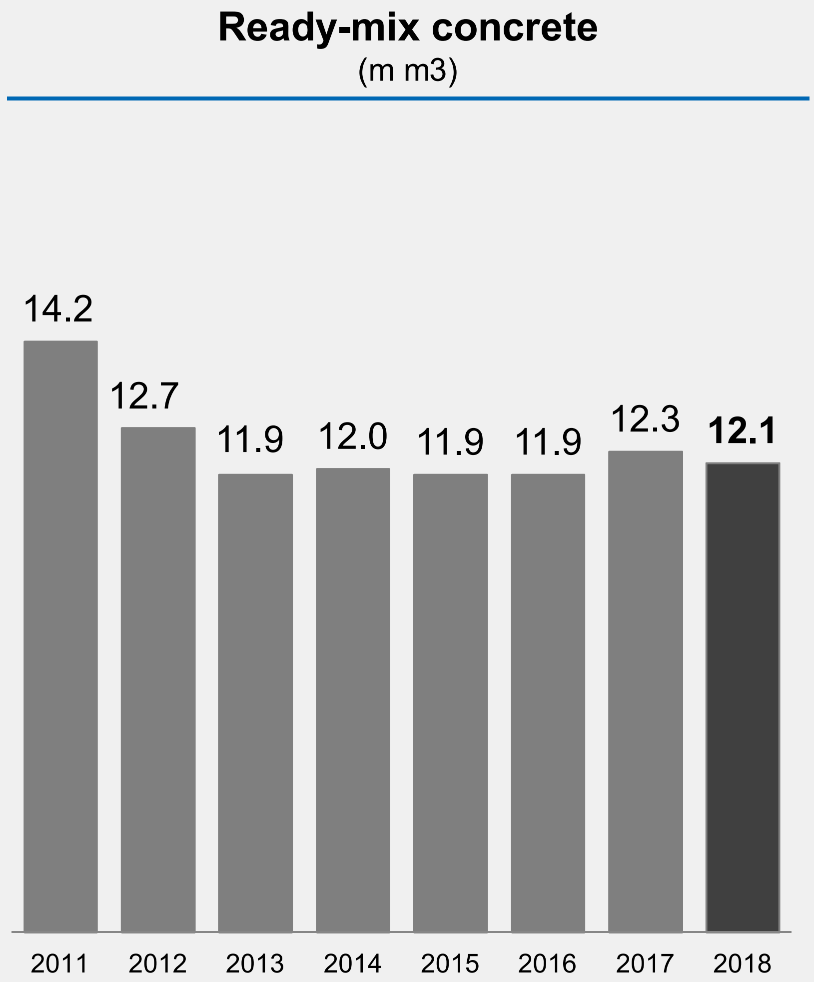
- **Costs**
  - Unfavorable trend of energy factors

- **Results and Net Financial Position**
  - Net sales up (+3.2% at costant exchange rate and scope) and slight decrease in Ebitda margin (from 20.5% to 19.8%)
  - Net debt at €m 891 (€m 862 in 2017), after €m 444 capital expenditures, of which €m 45 for Seibel & Söhne acquisition in Germany and €m 161 for the purchase of 50% of BCPAR in Brazil
    Completion of the share buy-back program, which started at the end of September and involved 4.23% of the voting capital for €119 million

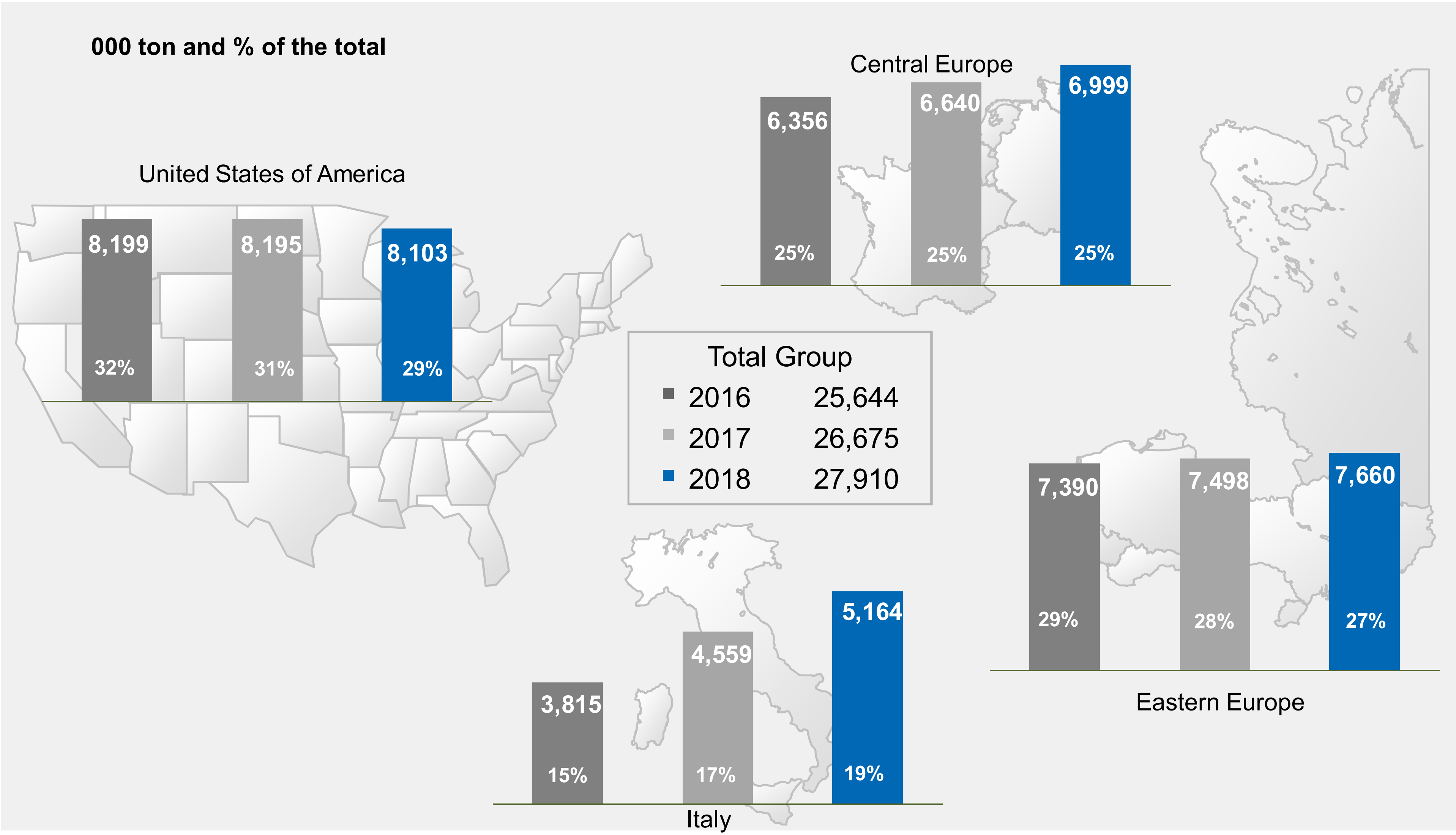
Buzzi Unicem

Volumes


Cement
(m ton)
25.4
24.3
24.7
25.1
25.6
25.6
26.8
27.9
2011
2012
2013
2014
2015
2016
2017
2018


Ready-mix concrete
(m m3)
14.2
12.7
11.9
12.0
11.9
11.9
12.3
12.1
2011
2012
2013
2014
2015
2016
2017
2018

Cement volumes by geographical area



Buzzi Unicem

Net sales by country

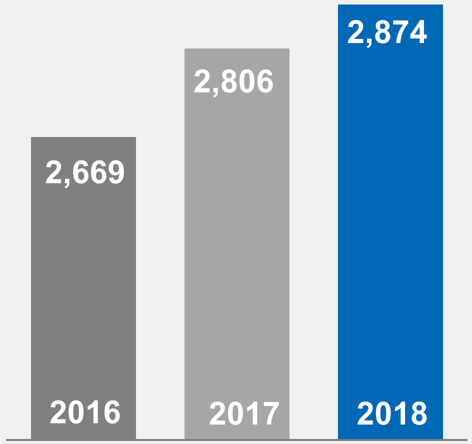
EURm	2018	2017	Δ abs	Δ %	Forex abs	Scope abs	Δ l-f-l %
Italy	459.8	427.8	32.0	+7.5	-	36.0	-0.9
United States	1,069.6	1,110.6	(40.9)	-3.7	(48.6)	-	+0.7
Germany	632.5	588.0	44.5	+7.6	-	16.9	+4.7
Lux/Netherlands	197.1	186.8	10.3	+5.5	-	-	+5.5
Czech Rep/Slovakia	164.5	147.9	16.6	+11.2	3.3	-	+9.0
Poland	111.4	97.0	14.4	+14.8	(0.1)	-	+15.0
Ukraine	88.3	94.5	(6.2)	-6.6	(6.1)	-	-0.1
Russia	185.5	184.3	1.2	+0.6	(22.8)	-	+13.0
Eliminations	(35.3)	(30.7)	(4.6)				
Total	**2,873.5**	**2,806.2**	**67.2**	**+2.4**	**(74.3)**	**52.9**	**+3.2**
Mexico (100%)	624.7	686.1	(61.4)	-9.0	(40.3)	-	-3.1

Buzzi Unicem

Key economics indicators

Net sales

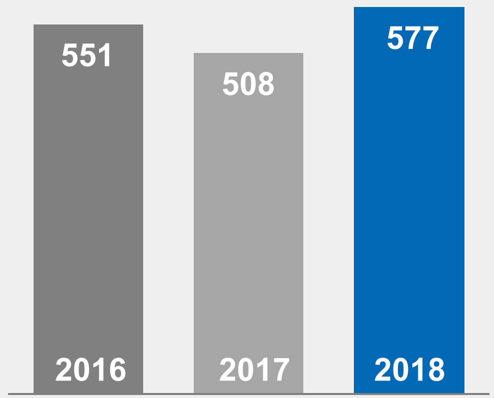
EURm



	16/15	17/16	18/17
	%	%	%
Δ YoY	**+0.3**	**+5.1**	**+2.4**
Δ operations	+1.7	+3.7	+3.2
Δ foreign exchange	-1.0	-0.2	-2.7
Δ scope	-0.4	+1.6	+1.9

EBITDA

EURm

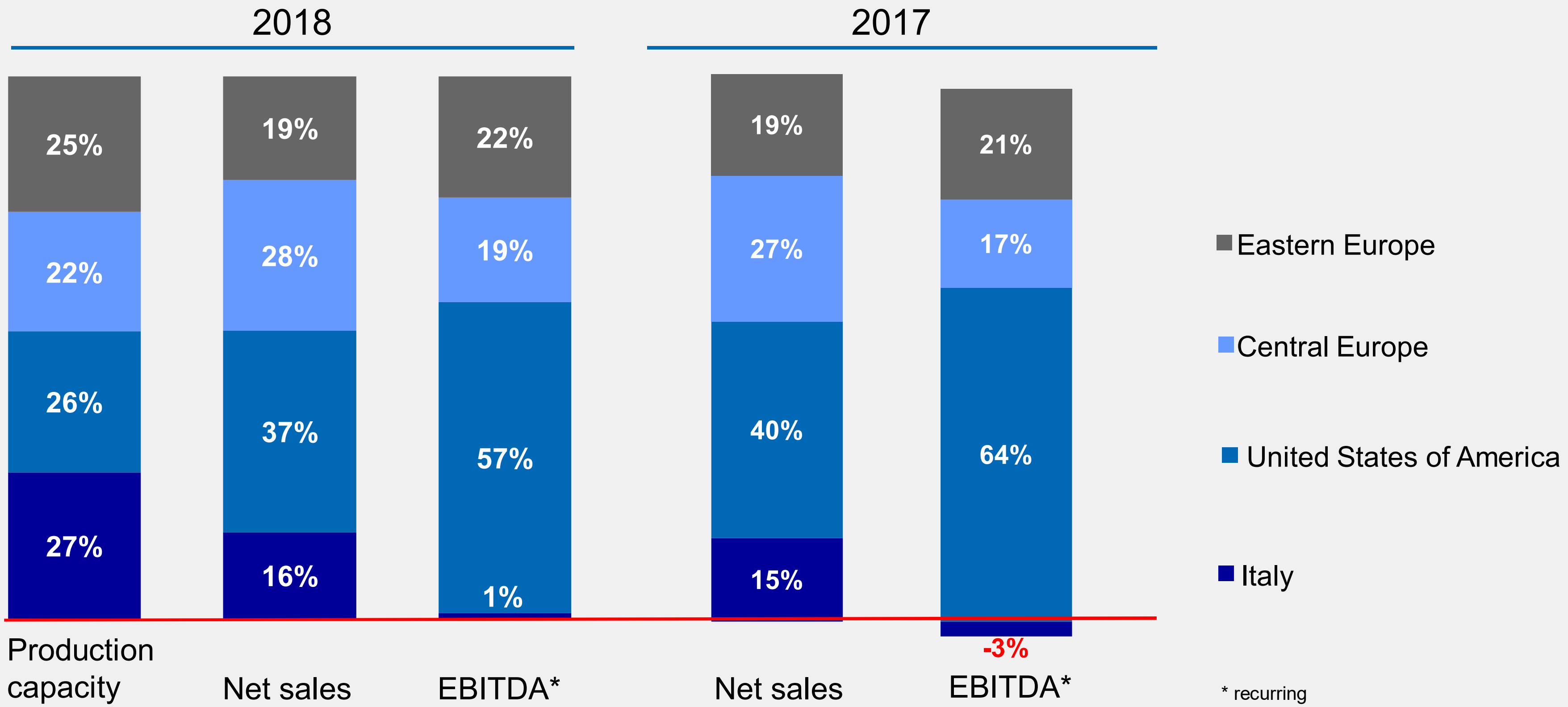


	16/15	17/16	18/17
	%	%	%
Δ YoY	**+16.4**	**-7.7**	**+13.6**
Δ operations	+17.6	-8.2	+18.0
Δ foreign exchange	-1.2	-0.3	-4.2
Δ scope	0.0	+0.8	-0.2

Buzzi Unicem

Net sales and EBITDA development

- Italy eventually balanced, thanks above all to the contribution of Cementizillo
- The weight of United States reduced by a few points
- Favorable trend in Central and Eastern Europe



Buzzi Unicem

Consolidated Income Statement

EURm	2018	2017	Δ abs	Δ %
Net Sales	**2.873.5**	**2.806.2**	**67.2**	**+2.4**
EBITDA	**577.2**	**508.2**	**69.0**	**+13.6**
of which, non recurring	(8.7)	68.2		
% of sales (recurring)	19.8%	20.5%		
Depreciation and amortization	(225.4)	(222.1)	(3.2)	
Operating profit (EBIT)	**351.8**	**286.0**	**65.8**	**+23.0**
% of sales	12.2%	10.2%		
Equity earnings	88.7	97.7	(9.0)	
Net finance costs	24.7	(35.0)	59.8	
Profit before tax	**465.3**	**348.7**	**116.6**	**+33.4**
Income tax expense	(82.5)	45.9	128.4	
Net profit	**382.8**	**394.6**	**(11.8)**	**-3.0**
Minorities	(0.6)	(3.0)		
Consolidated net profit	**382.1**	**391.6**	**(9.5)**	**-2.4**
Earnings per ordinary share (¢)	**186.0**	**190.0**		

Buzzi Unicem

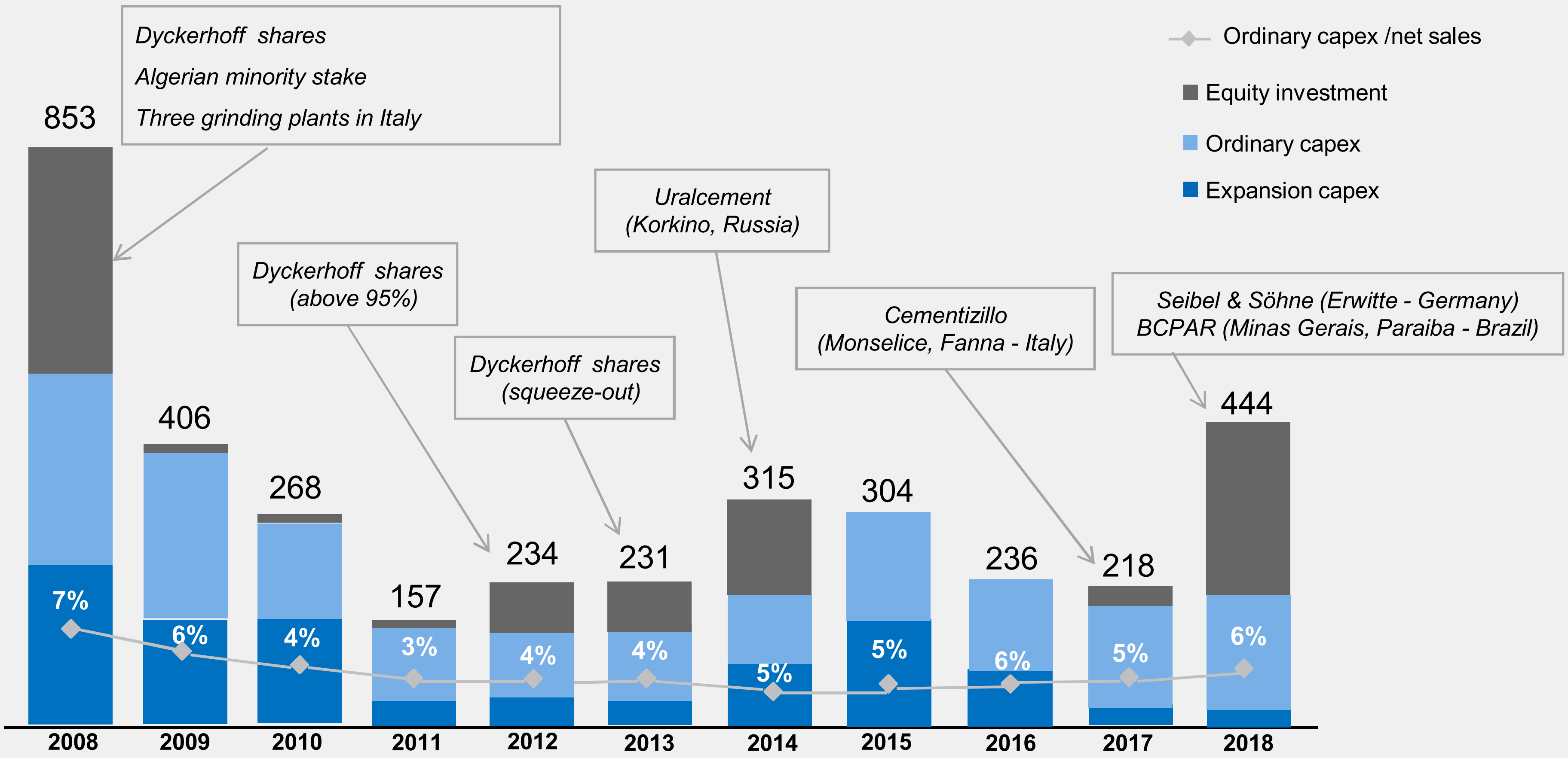
Consolidated Cash Flow Statement

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

Buzzi Unicem

Focus on industrial capex

- In the period 2008-2018 equal to €m 3.666, of which €m 1.388 for expansion projects(*)
- Increasing importance of projects for sustainability and regulatory compliance



* Includes 50% of Corporación Moctezuma up to 2013

Buzzi Unicem

Expansion projects: agreement with Grupo Ricardo Brennand (1/3)

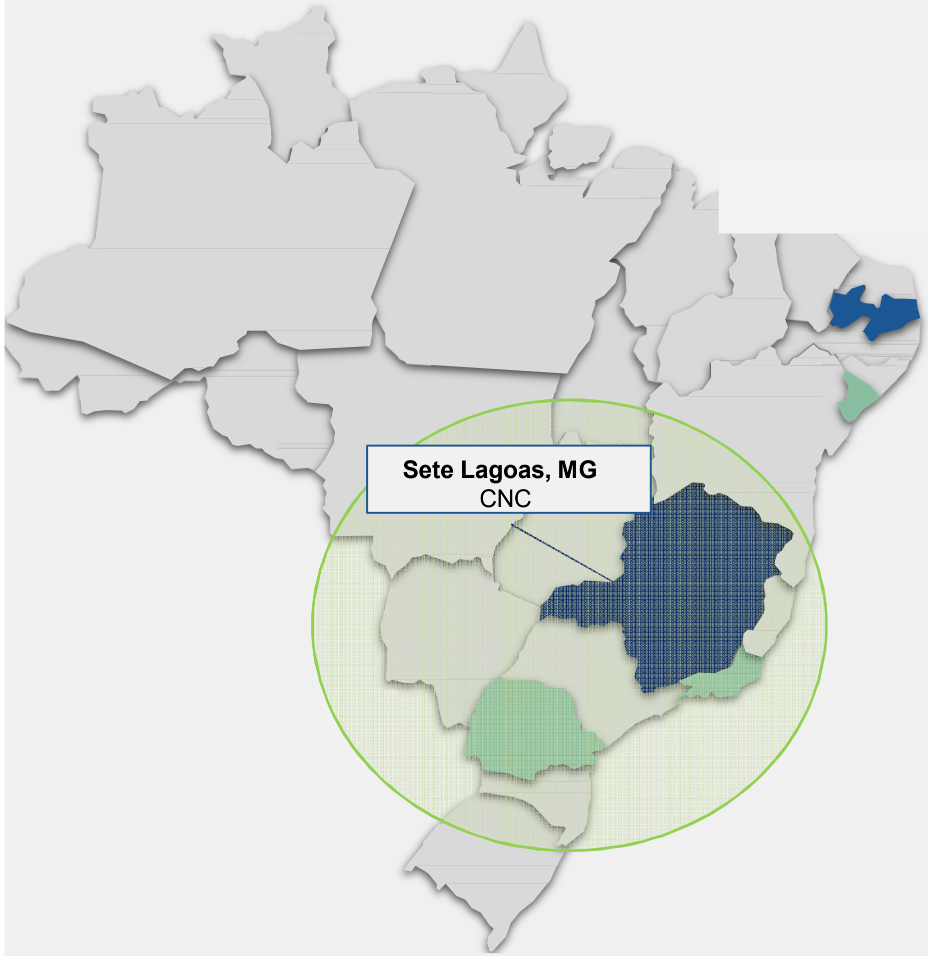
RATIONALE

1- Stable improvement in the financial position
2- Enlargement of the geographical diversification
3- Brazil: largest economy in South America
4- Per capita cement consumption in Brazil is at its lowest levels in years
5- Current downturn in the Brazilian economy and cement industry in particular, is expected to be positively resolved starting from 2019

- Investment of €m 161 for the purchase of 50% of BCPAR, which operates in Brazil through the Cimento Nacional trademark
- Agreement for equal management of the company
- Put option (since January 2023) e Call option (since January 2025) on the remaining 50%

Buzzi Unicem

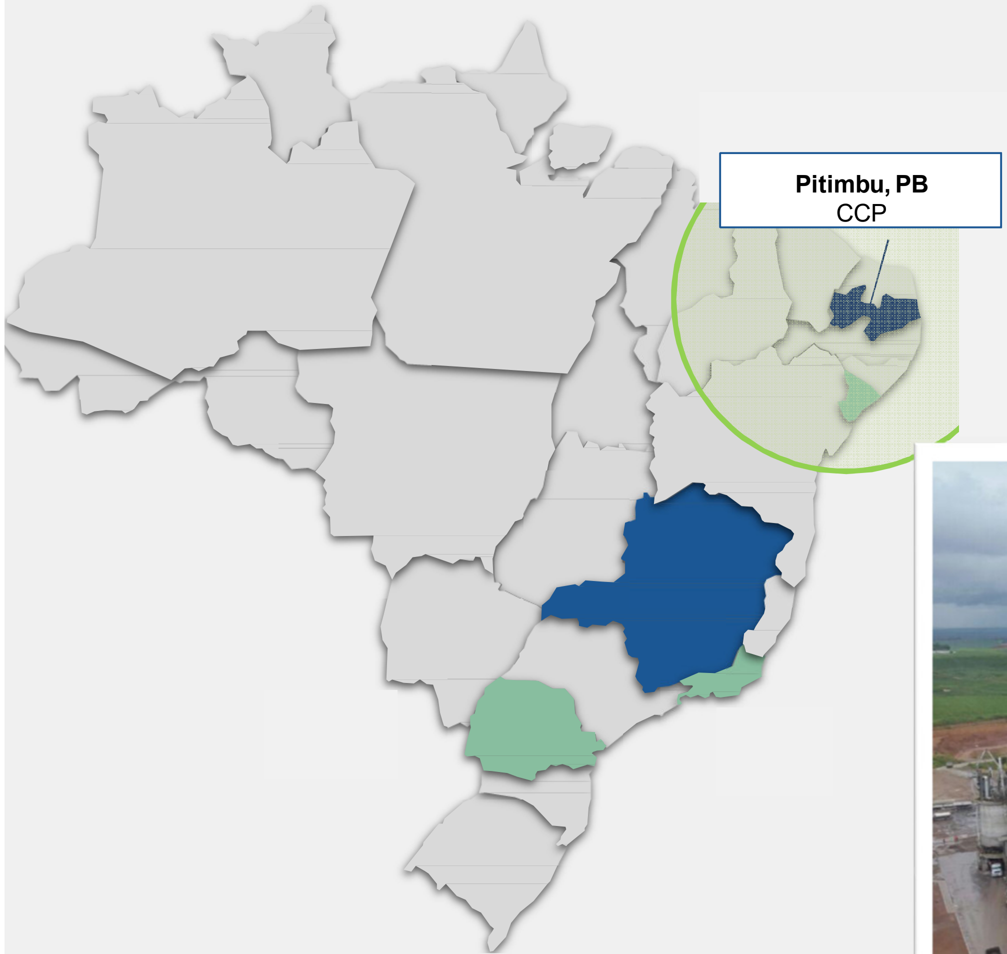
Expansion projects: agreement with Grupo Ricardo Brennand (2/3)



Minas Gerais Cement Plant (CNC):

- **Full cycle cement plant**
- **Start of operation:** May 2011
- **Production capacity**: 2.4 million tons of cement and 1.2 million tons of clinker per year

Expansion projects: agreement with Grupo Ricardo Brennand (3/3)



Paraíba Cement Plant (CCP):

- **Full cycle cement plant**
- **Start of operation:** August 2015
- **Production capacity**: 1.7 million tons of cement and 1.4 million tons of clinker per year

Expected trading in 2019

	Δ Volumes	Δ Prices
Italy	=	+
United States of America	+	+
Germany	+	+
Luxembourg	=	+
Czech Republic	=	+
Poland	=	+
Ukraine	+	+
Russia	+	+
Mexico	−	=
Brazil	+	=

Prices in local currency

Buzzi Unicem SpA – Income Statement

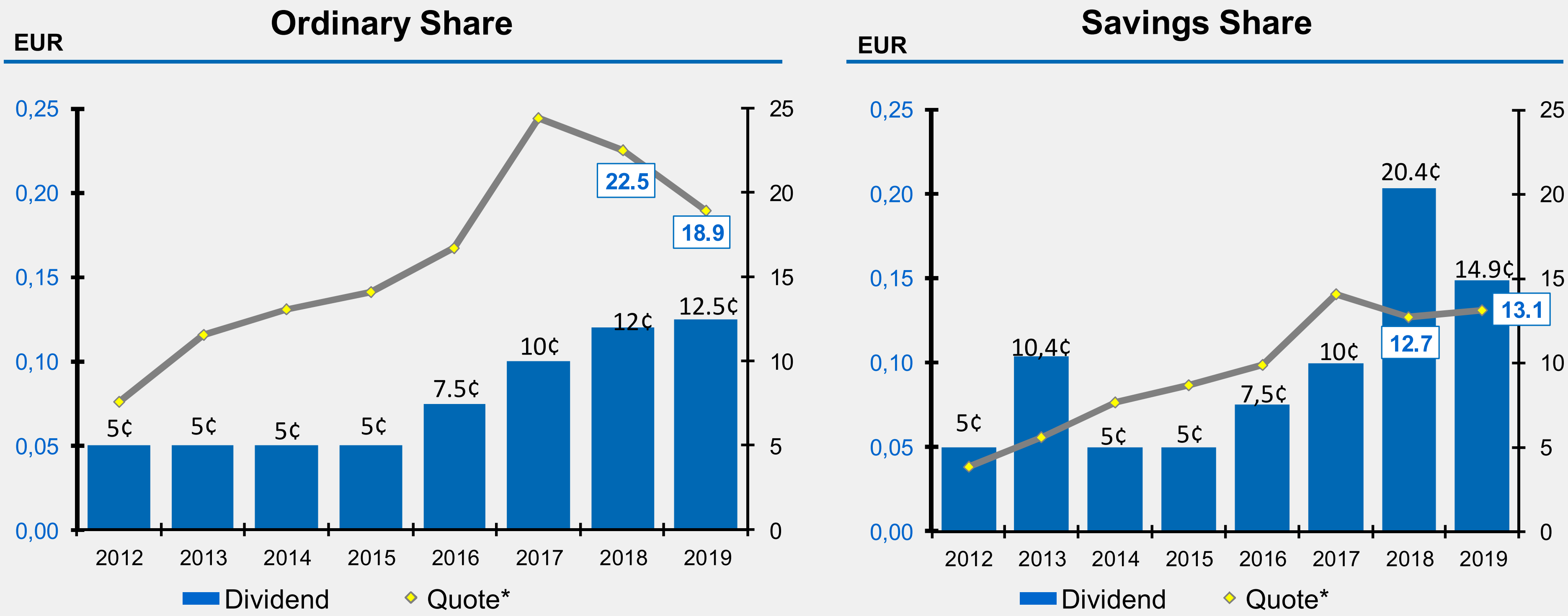
EURm	2018	2017*	Δ abs	Δ %
Net Sales	**321.1**	**308.5**	**12.6**	**+4.1**
EBITDA	24.6	(62.0)		
% of sales	*7.7*	*(20.1)*		
Operating profit (EBIT)	**(16.2)**	**(97.5)**	**81.3**	
% of sales	*(5.0)*	*(31.6)*		
Net finance costs/revenues	112.7	114.5	(1.9)	
of which, dividend income	163.2	197.2	(34.0)	-17.2
Profit (loss) before tax	**96.6**	**17.0**	**79.6**	
Income taxes	1.3	(4.4)	5.7	
Net profit (loss)	**97.9**	**12.6**	**85.3**	
Shareholders' equity	**1.474.6**	**1.525.9**	**(51.3)**	**-3.4**

* 2017 pro-forma

Buzzi Unicem

Dividend and share price

- Dividend of 12.5 ¢ to ordinary shares and 14.9 ¢ to savings shares
- CAGR (12/2012 - 5/2019): ordinary shares +10% / saving shares +17%



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

Sustainability Report 2018 (1/2)

Issued for the 18th year in a row, the 2018 Sustainabilty 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

Global Reporting Initiative

Sustainability Report 2018 (2/2)

In this edition we confirm the 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

Global Reporting Initiative™

Target

Climate change

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 CO_2 emissions compared to 2017 levels, at the same production rate

Stakeholder Engagement

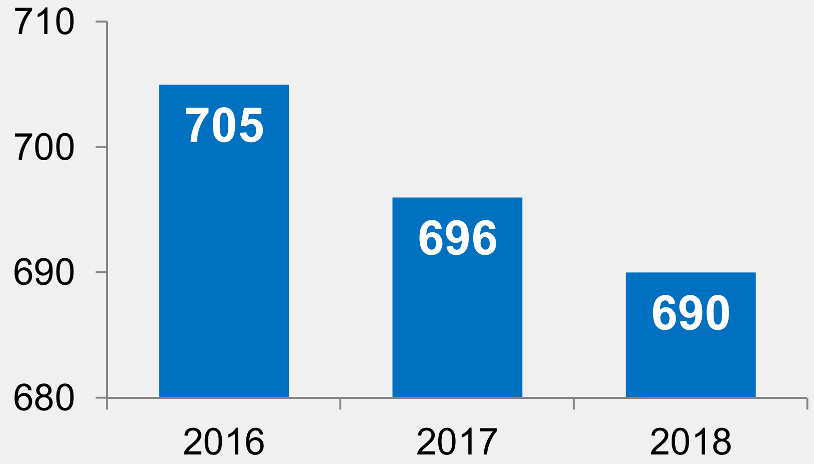
Implementation of a strategic approach to stakeholder engagement and realization of recurring events (es. Family & Friends)

Safety

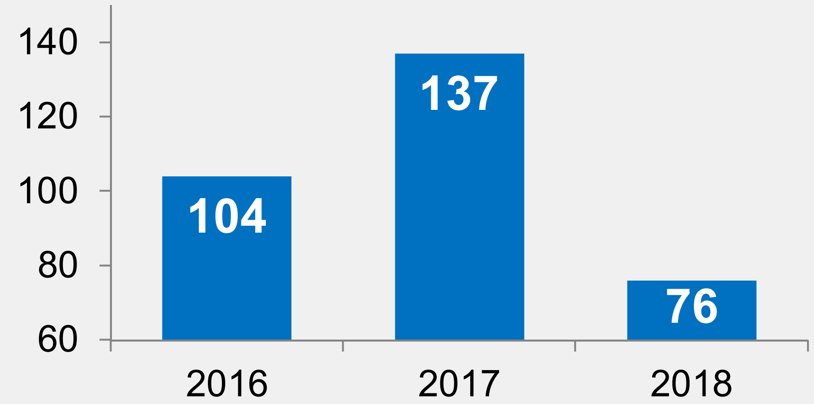
The target is the achievement of working conditions not entailing the occurrence of any accident and/or occupational diseases

Sustainability Report 2018 – key indicators (1)

Greenhouse gas - kg/t cementitious



Dust – g/t of clinker



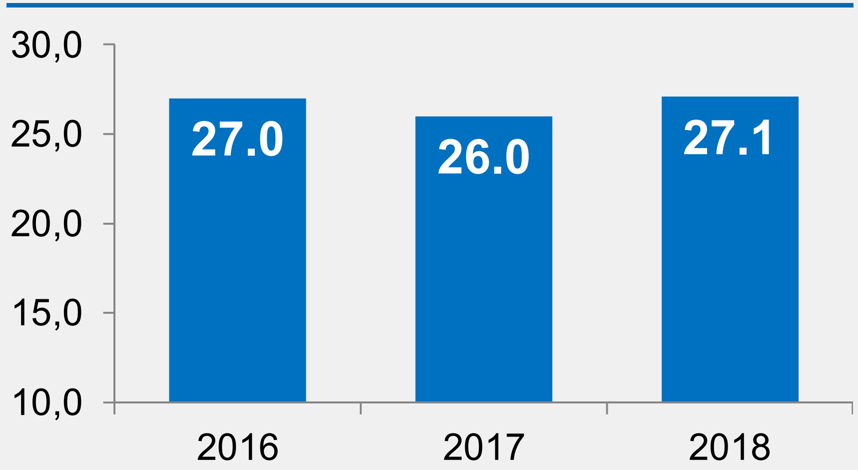
CO_2 Emissions

Atmospheric Emissions

Buzzi Unicem

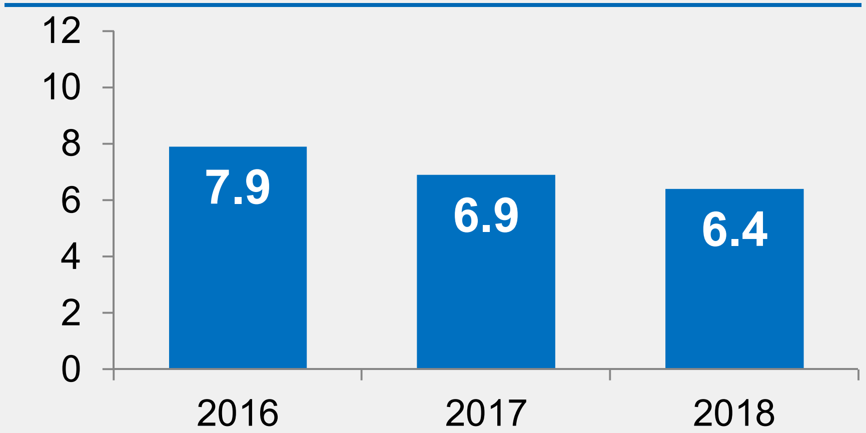
Sustainability Report 2018 – key indicators (2)

Heat substitution - in %



Alternative Fuels

Injury frequency rate – N° x1M / hours worked



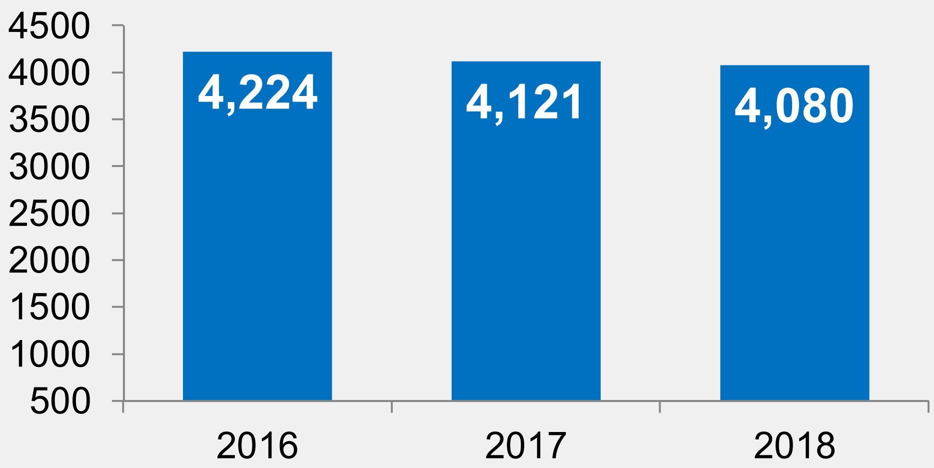
* employees + contractors / cement, concrete and aggregates sector

Safety

Buzzi Unicem

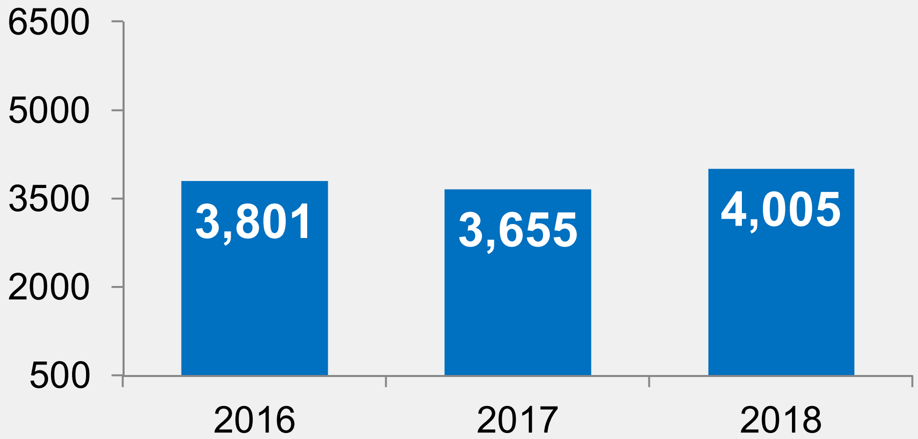
Sustainability Report 2018 – key indicators (3)

Kiln specific consumption - Gj/t clinker



Energy Efficiency

Waste generation - g/t cementitious



Waste Generation

Global Reporting Initiative

Buzzi Unicem